

BRITISH SKY BROADCASTING GROUP PLC  
Form S-3  
November 24, 2004  
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As filed with the Securities and Exchange Commission on November 24, 2004

Registration No. 333-

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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM F-3/S-3

### REGISTRATION STATEMENT

*UNDER*

*THE SECURITIES ACT OF 1933*

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# NEWS AMERICA INCORPORATED

(Exact name of Registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**2711**  
(Primary Standard Industrial  
Classification Code Number)

**13-3249610**  
(I.R.S. Employer  
Identification No.)

1211 Avenue of the Americas

New York, NY 10036

(212) 852-7000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

# **NEWS CORPORATION FINANCE TRUST II**

(Exact name of Registrant as specified in its charter)

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|  |  |  |
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| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>9995</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>90-6018418</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 852-7000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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## **NEWS HOLDINGS LIMITED**

(Formerly known as The News Corporation Limited)

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>South Australia, Australia</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>2711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>Not applicable</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**2 Holt Street**

**Surry Hills, New South Wales 2010, Australia**

**(Country Code 61) 2-9-288-3000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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## **NEWS CORPORATION**

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>2711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>26-0075658</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 852-7000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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# NEWS AUSTRALIA HOLDINGS PTY LTD

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>South Australia, Australia</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>2711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>Not applicable</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**2 Holt Street**

**Surry Hills, New South Wales 2010, Australia**

**(Country Code 61) 2-9-288-3000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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# FEG HOLDINGS, INC.

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>7812</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>51-0385056</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1300 North Market Street, Suite 404**

**Wilmington, DE 19801**

**(302) 888-1615**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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## FOX ENTERTAINMENT GROUP, INC.

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>7812</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>95-4066193</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 852-7111**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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## NEWS AMERICA MARKETING FSI, INC.

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>2711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>62-1396771</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 782-8000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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# NEWS PUBLISHING AUSTRALIA LIMITED

(Exact name of Registrant as specified in its charter)

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|  |  |  |
|--|--|--|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>2711</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>13-3249611</b><br>(I.R.S. Employer<br>Identification No.) |
|--|--|--|

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 852-7000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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# BRITISH SKY BROADCASTING GROUP plc

(Exact name of Registrant as specified in its charter)

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|   |  |  |
|---|--|--|
| <b>England and Wales</b><br>(State or other jurisdiction<br>of incorporation or organization) | <b>4833</b><br>(Primary Standard Industrial<br>Classification Code Number) | <b>Not applicable</b><br>(I.R.S. Employer<br>Identification No.) |
|---|--|--|

**Grant Way**

**Isleworth, Middlesex TW7 5QD**

**England**

**(Country Code 44) (0) 870 240-3000**

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**Arthur M. Siskind, Esq.**

**News America Incorporated**

**1211 Avenue of the Americas**

**New York, NY 10036**

**(212) 852-7000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies of communications to:*

**Amy Bowerman Freed, Esq.**

**Hogan & Hartson L.L.P.**

**875 Third Avenue**

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New York, NY 10022

(212) 918-3000

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. "

**CALCULATION OF REGISTRATION FEE**

| Title of each Class of<br>Securities to be Registered   | Amount to be<br>Registered | Proposed<br>Maximum<br>Offering<br>Price Per<br>Unit(1) | Proposed<br>Maximum<br>Aggregate<br>Offering<br>Price(1) | Amount of<br>Registration<br>Fee(1) |
|---|----------------------------|---|--|-------------------------------------|
| 0.75% Senior Exchangeable BUCS <sup>sm</sup> (the BUCS )  | \$ 1,655,000,000           | \$ 1,048.125  | \$ 1,734,646,875   | \$ 140,332.93                       |
| Guarantee of the BUCS by News Holdings Limited (formerly known as The News Corporation Limited) | \$ 1,655,000,000(2)        |   |  | (3)                                 |
| Guarantee of the BUCS by News Corporation   | \$ 1,655,000,000(2)        |   |  | \$ 100(3)                           |
| Guarantee of the BUCS by News Australia Holdings Pty Ltd  | \$ 1,655,000,000(2)        |   |  | \$ 100(3)                           |
| 0.75% Senior Exchangeable Debentures of News America Incorporated (the Debentures )(4)          | \$ 1,655,000,000           |   |  |                                     |
| Guarantees of the Debentures (the Debenture Guarantees )  | \$ 1,655,000,000(2)        |   |  | (3)                                 |
| Ordinary Shares of British Sky Broadcasting Group plc ( BSKyB Ordinary Shares )(5)(6)           | 299,479,756(7)             |   |  |                                     |



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Class A Common Stock of News Corporation ( Class A Common Stock )(6)

264,271,458(8)

|              |                  |              |                  |                  |
|--------------|------------------|--------------|------------------|------------------|
| <b>Total</b> | \$ 1,655,000,000 | \$ 1,048.125 | \$ 1,734,646,875 | \$ 140,532.93(9) |
|--------------|------------------|--------------|------------------|------------------|

- (1) Estimated pursuant to Rule 457 under the Securities Act of 1933 solely for the purpose of calculating the registration fee based on the average of the bid and asked prices for the BUCS in certain secondary market transactions executed on July 1, 2003.
  
- (2) No additional consideration will be received for the BUCS Guarantees or the Debenture Guarantees.
  
- (3) Under Rule 457(n), no fee was payable with respect to the original BUCS Guarantee or the Debenture Guarantees.
  
- (4) The Debentures may be distributed, under certain circumstances, to the holders of the BUCS. No additional consideration will be received for the Debentures.
  
- (5) The BSKyB Ordinary Shares registered hereby are issuable to the holders of the BUCS (or Debentures) after April 2, 2004 upon exchange or redemption of the BUCS (or the Debentures if they are distributed to the holders of the BUCS). Such BSKyB Ordinary Shares may be represented by American Depositary Receipts ( BSKyB ADRs ). The BSKyB ADRs are registered under a separate registration statement on Form F-6. Each BSKyB ADR represents four BSKyB Ordinary Shares.
  
- (6) Pursuant to Rule 416, this Registration Statement also covers such additional number of shares and other securities as may be issuable pursuant to the anti-dilution provisions of the BUCS (or Debentures).
  
- (7) Represents the estimated number of BSKyB Ordinary Shares issuable upon exchange or redemption of the BUCS (or Debentures) in accordance with the terms thereof.
  
- (8) Represents the estimated number of shares of News Corporation Class A Common Stock issuable upon redemption of the BUCS (or Debentures) in accordance with the terms thereof.
  
- (9) Of this amount, \$140,332.93 was previously paid. The News Corporation Limited (now known as News Holdings Limited) previously filed a registration statement on Form F-4 (File No. 333-51434; initial filing date December 7, 2000) to register 537,454,462 preferred limited voting ordinary shares, and paid a registration fee of \$606,579 in connection with such registration. On June 30, 2003, News Corporation filed a post-effective amendment to such registration statement (on Form S-8) to deregister 218,119,025 of such shares. The portion of the registration fee associated with such deregistered shares was \$246,172. Accordingly, pursuant to Rule 457(p), no filing fee was originally paid herewith by reason of the application of a portion of the filing fees associated with the deregistered shares to the filing fee due pursuant hereto.

**The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**EXPLANATORY NOTE NO. 1**

Pursuant to the provisions of Rule 429 under the Securities Act of 1933, as amended (the "Securities Act") this Registration Statement relates to Registration Statement No. 333-106837 filed by News America Incorporated, News Corporation Finance Trust II, News Holdings Limited (formerly known as The News Corporation Limited), FEG Holdings, Inc., Fox Entertainment Group, Inc., News America Marketing FSI, Inc., News Publishing Australia Limited and British Sky Broadcasting Group plc and is also the initial filing of the Registration Statement on Form S-3 (Registration No. 333- ) filed by News Australia Holdings Pty Ltd in respect of its guarantee. The prospectus forming part of this Registration Statement shall serve the purpose of a post-effective amendment to Registration Statement No. 333-106837 as specified in Rule 429.

**EXPLANATORY NOTE NO. 2**

This Registration Statement is being filed pursuant to Rule 414 under the Securities Act of 1933, to notify the Securities and Exchange Commission (the "Commission") that a new Delaware corporation named News Corporation ("News Corporation") is now, through a wholly owned subsidiary named News Australia Holdings Pty Ltd ("News Australia Holdings"), the parent of News Holdings Limited (formerly known as The News Corporation Limited), an Australian Corporation ("TNCL"), and to amend the Registration Statement accordingly. We refer to such reorganization as the "Reorganization." The Reorganization was effectuated through a share exchange in which TNCL shareholders received News Corporation shares in exchange for the cancellation of their TNCL shares. Immediately prior to the Reorganization, News Corporation had no assets or liabilities other than nominal assets or liabilities.

Pursuant to Rule 414(d) of the Securities Act, News Corporation, as successor to TNCL, hereby adopts the Registration Statement as its own registration statement for all purposes of the Securities Act and the Securities Exchange Act of 1934, as amended.

**EXPLANATORY NOTE NO. 3**

This Registration Statement is being filed on Form F-3/S-3. All of the guarantors are either wholly-owned subsidiaries of News Corporation, a Delaware corporation, and therefore are included as registrants on News Corporation's registration statement on Form S-3 pursuant to General Instruction I.C of Form S-3 and the No-Action Letter dated November 3, 2004, or meet the eligibility requirements of Form S-3 independently. British Sky Broadcasting Group plc is a foreign private issuer. As a result, this Registration Statement is filed pursuant to the requirements of Form F-3 with respect to British Sky Broadcasting Group plc.

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**PROSPECTUS**

**US\$1,655,000,000**

**News Corporation Finance Trust II**

**0.75% Senior Exchangeable BUCS<sup>SM</sup>**

**(original liquidation preference US\$1,000 per BUCS)**

**exchangeable into the ordinary shares of British Sky Broadcasting Group plc**

**or the cash value thereof and guaranteed on a senior basis by**

**News Corporation**

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News Corporation Finance Trust II, or the trust, issued and sold the 0.75% Senior Exchangeable BUCS, which we refer to as the BUCS, in transactions not requiring registration under the Securities Act of 1933, as amended, in March and April 2003, at an issue price of US\$1,000 per BUCS, plus any accrued distributions thereon from March 21, 2003. News Corporation, incorporated under the laws of the State of Delaware ( News Corporation ), as successor to News Holdings Limited (formerly known as The News Corporation Limited), an Australian corporation ( TNCL ), has guaranteed the payment of distributions and the amount payable upon redemption of the BUCS. Each of the BUCS represents an undivided beneficial ownership in the assets of the trust. News Corporation, directly or indirectly, owns all of the beneficial interests in the assets of the trust represented by the common securities of the trust. The trust invested the proceeds of this offering in 0.75% senior exchangeable debentures due March 15, 2023, which we refer to as the debentures, of News America Incorporated, which we refer to as News America. The debentures are guaranteed on a senior basis by News Corporation and certain of its subsidiaries.

**Exchange at Your Option.** Each BUCS is exchangeable at your option for the value of the reference shares, calculated as described in this prospectus. The initial reference shares for each US\$1,000 original liquidation preference of BUCS consist of 77.09 ordinary shares of British Sky Broadcasting Group plc, which we refer to as BSKyB, and any other publicly traded common equity securities that may be distributed on or in respect of these BSKyB ordinary shares (or into which any of those securities may be converted or exchanged). You will receive this amount, at our election, through delivery of reference shares, cash or a combination thereof.

**Distributions.** We make distributions on the BUCS semi-annually on March 15 and September 15 at the per annum rate of 0.75% of the original liquidation preference of US\$1,000 per BUCS.

Distributions in Respect of Reference Shares. We will distribute to you 75% of any regular cash dividends and 100% of any extraordinary dividends and distributions (other than publicly traded common equity securities, which will become additional reference shares) paid in respect of the reference shares. The liquidation preference of each BUCS will be reduced for extraordinary dividends or distributions made on or in respect of the reference shares.

<sup>SM</sup> Service mark of Salomon Smith Barney Inc.

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**Redemption at Your Option.** You may tender your BUCS for redemption on March 15, 2010, March 15, 2013, or March 15, 2018 for payment of the adjusted liquidation preference. We may pay the redemption price in, at our election, cash, BSKyB ordinary shares, or News Corporation Class A common shares, or a combination thereof. You may also tender your BUCS for redemption in cash upon a change of control triggering event.

**Redemption at Our Option.** On or after March 20, 2010, we may, at our option, redeem the BUCS, in whole or in part, for cash or BSKyB ordinary shares, or a combination thereof at the adjusted liquidation preference plus accrued and unpaid distributions and any final period distribution.

**Maturity.** The BUCS do not have a stated maturity date, although they are subject to mandatory redemption upon the repayment of the debentures at their stated maturity. The debentures will mature on March 15, 2023. At the maturity of the underlying debentures, the amount of cash you will be entitled to receive with respect to your BUCS is the adjusted liquidation preference of your BUCS plus accrued and unpaid distributions and any final period distribution.

Selling security holders will use this prospectus to offer and sell their BUCS and, to the extent required by applicable securities laws, the BSKyB ordinary shares and News Corporation Class A common shares issuable upon exchange or redemption of the BUCS and any debentures that may be distributed to the holders of the BUCS. See Distribution of Debentures. We will also use this prospectus to offer and sell to the holders of the BUCS the BSKyB ordinary shares and News Corporation Class A common shares issuable upon exchange or redemption of the BUCS, and any debentures that may be distributed to the holders of the BUCS. If the debentures are distributed to the holders of the BUCS, this prospectus would be used for the offer and sale of the BSKyB ordinary shares and News Corporation Class A common shares issuable upon exchange or redemption of the debentures. We sometimes refer to the BUCS, guarantees of the BUCS, debentures, guarantees of the debentures, the BSKyB ordinary shares issuable upon exchange or redemption of the BUCS (or debentures) and News Corporation Class A common shares issuable upon redemption of the BUCS (or debentures), collectively as the offered securities.

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**Investments in these securities involve risks. See Risk Factors beginning on page 6.**

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The selling security holders directly, or through agents designated from time to time, or through dealers or underwriters to be designated, may sell the offered securities from time to time on terms to be determined at the time of sale. See Plan of Distribution. To the extent required, the specific offered securities to be sold, the names of the selling security holders, the respective purchase price and public offering price, the names of such agents, dealers or underwriters, and any applicable commission or discount with respect to a particular offer will be set forth in an accompanying prospectus supplement.

We will not receive any of the proceeds from the sale of any of the offered securities. The offered securities may be offered by the selling security holders in negotiated transactions or otherwise, at fixed prices, at market prices prevailing at the time of sale or at negotiated prices. See the information under Plan of Distribution. Each of the selling security holders reserves the sole right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of the offered securities to be made directly or through their agents.

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The selling security holders and any broker-dealers, agents or underwriters that participate with the selling security holders in the sale of the offered securities may be deemed to be underwriters within the meaning of the Securities Act. Any profits realized by the selling security holders may be deemed to be underwriting commissions. Any commissions paid to broker-dealers and, if broker-dealers purchase the offered securities as principals, any profits received by such broker-dealers on the resale of the offered securities, may be deemed to be underwriting discounts or commissions under the Securities Act.

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By agreement, we paid substantially all of the expenses incident to the registration of the BUCS, estimated to be approximately \$500,000. See the information below under Plan of Distribution relating to indemnification arrangements between News America, News Corporation, the trust and the subsidiary guarantors and the selling security holders.

**Neither the Securities and Exchange Commission, nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is November 24, 2004.

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY NEWS AMERICA INCORPORATED. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF NEWS CORPORATION, BRITISH SKY BROADCASTING GROUP PLC OR FOX ENTERTAINMENT GROUP, INC. AND THEIR RESPECTIVE SUBSIDIARIES SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR OF ANY SECURITIES OFFERED HEREBY IN ANY JURISDICTION WHERE, OR TO ANY PERSON WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE INFORMATION CONTAINED IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE OF THIS PROSPECTUS UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES.

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**WHERE YOU CAN FIND MORE INFORMATION**

News Corporation is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and files reports and other information with the Securities and Exchange Commission (the SEC or the Commission). Fox Entertainment Group, Inc. (Fox Entertainment or FEG), and British Sky Broadcasting Group plc (BSkyB) are each also subject to the informational requirements of the Exchange Act and accordingly, file reports and other information with the SEC.

You may read and copy this information at the Public Reference Room of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You may also obtain copies of all or any part of such material by mail from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. For more information about the operation of the Public Reference Room, call the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains reports and other information about issuers who file electronically with the SEC. The Internet address of the site is <http://www.sec.gov>.

Reports and other information concerning News Corporation, BSkyB and FEG may also be inspected at the offices of the New York Stock Exchange, Inc. at 20 Broad Street, New York, New York 10005. You may also obtain certain of these documents at News Corporation's website at [www.newscorp.com](http://www.newscorp.com), Fox Entertainment's website at [www.fox.com](http://www.fox.com) and BSkyB's website at [www.sky.com](http://www.sky.com). We are not incorporating the contents of the websites of the SEC, News Corporation, BSkyB, Fox Entertainment or any other person into this document. We are only providing information about how you may obtain certain documents that are incorporated into this document by reference at these websites.

This prospectus forms part of the registration statement filed by News America Incorporated, News Corporation, a Delaware corporation, Fox Entertainment and the other guarantors and BSkyB with the SEC under the Securities Act. This prospectus omits certain of the information contained in the registration statement in accordance with the rules and regulations of the SEC.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows us, BSkyB and Fox Entertainment to incorporate by reference information into this prospectus, which means important information may be disclosed to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information contained directly in this prospectus. This prospectus incorporates by reference the documents set forth below that News Corporation, BSkyB and Fox Entertainment have previously filed with the SEC. These documents contain important information about News Corporation, BSkyB and Fox Entertainment and their finances.

News Corporation has filed with the SEC, pursuant to the Exchange Act, a Current Report on Form 8-K reporting results for the fiscal year ended June 30, 2004, a Current Report on Form 8-K, filed November 12, 2004 and a Registration Statement on Form 8-A, filed November 12, 2004, as amended which are hereby incorporated by reference in and made a part of this prospectus.

BSkyB has filed with the SEC, pursuant to the Exchange Act, an Annual Report on Form 20-F for the fiscal year ended June 30, 2004 and a Report on Form 6-K filed November 12, 2004, which are hereby incorporated by reference in and made a part of this prospectus.

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Fox Entertainment has filed with the SEC, pursuant to the Exchange Act, an Annual Report on Form 10-K for the fiscal year ended June 30, 2004, a Quarterly Report on Form 10-Q for the period ended September 30, 2004 and a Current Report on Form 8-K filed November 3, 2004, which are hereby incorporated by reference in and made a part of this prospectus.

Statements contained in any such documents as to the contents of any contract or other document referred to therein are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed with the SEC, each such statement being qualified in all respects by such reference.

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Reports and other information filed by News Corporation, BSKyB and Fox Entertainment with the SEC following the date hereof, including, with respect to BSKyB, Annual Reports on Form 20-F and Reports on Form 6-K that indicate on the cover pages thereof that they are to be incorporated into one or more registration and, with respect to News Corporation and Fox Entertainment, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, shall be deemed to be incorporated by reference herein. Statements contained in this document as to the contents of any contract or other document referred to in such document are not necessarily complete and, in each instance, reference is made to the copy of such contract or other document filed with the SEC, each such statement being qualified in all respects by such reference. Any statement contained in a document incorporated, or deemed to be incorporated, by reference herein or contained in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent any statement contained herein or in any subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part hereof except as so modified or superseded.

We will provide to you upon written or oral request, without charge, a copy of any and all of the information incorporated by reference in this prospectus (excluding exhibits to such information unless such exhibits are specifically incorporated by reference therein). Requests for copies of such information relating to News Corporation and BSKyB should be directed to: News America Incorporated, 1211 Avenue of the Americas, New York, NY 10036, Attention: Investor Relations (telephone number (212) 852-7059). Requests for copies of such information relating to Fox Entertainment should be directed to: Investor Relations, Fox Entertainment Group, Inc., 1211 Avenue of the Americas, New York, NY 10036 (telephone number (212) 852-7111).

### **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains statements that constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, or that include the words may, will, would, could, should, believe, estimates, projects, plans, intends, anticipates, continues, forecasts, designed, goal, or the negative of those words or other comparable terms, are intended to identify forward-looking statements.

These statements appear in a number of places in this prospectus and documents incorporated by reference in this prospectus and are based on certain assumptions and analyses made in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. These forward-looking statements are subject to risks, uncertainties and assumptions about News Corporation, and its subsidiaries and businesses, and Fox Entertainment, and its subsidiaries and businesses, including the risks and uncertainties discussed in this prospectus under the caption Risk Factors and elsewhere, and are not guarantees of performance. Other important factors that could affect the future results of News Corporation and Fox Entertainment and cause those results or other outcomes to differ materially from those expressed in the forward-looking statements include:

deterioration in worldwide economic and business conditions;

rapidly changing technology challenging our businesses' ability to adapt successfully;

exposure to fluctuations in currency exchange rates;

significant changes in our assumptions about customer acceptance, overall market penetration and competition from providers of alternative products and services;

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unexpected challenges created by legislative and regulatory developments;

changes in our business strategy and development plans;

the September 11, 2001 terrorist attacks, the military activity in Iraq, the outbreak or escalation of hostilities between the United States and any foreign power or territory and changes in international political

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conditions as a result of these events may continue to affect the United States and the global economy and may increase other risks; and

other risks described from time to time in periodic reports that News Corporation and Fox Entertainment file with the SEC.

Because the above factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement made by News Corporation or Fox Entertainment, you should not place undue reliance on any forward-looking statement. Similarly, any forward-looking statements made by BSKyB are subject to the risks, uncertainties and assumptions referred to under "Forward Looking Statements" on page 3 of BSKyB's Annual Report on Form 20-F for the fiscal year ended June 30, 2004 filed with the Commission on October 26, 2004. Further, any forward-looking statement speaks only as of the date on which it is made. News Corporation, BSKyB and Fox Entertainment do not ordinarily make projections of their future operating results and undertake no obligation to publicly update or revise any forward-looking statement, except as required by law. Readers should carefully review the other documents filed by News Corporation, BSKyB and Fox Entertainment with the SEC.

**ENFORCEABILITY OF CIVIL LIABILITIES**

**UNDER THE FEDERAL SECURITIES LAWS**

BSkyB is a public limited company incorporated under the laws of England and Wales. Most of the directors and executive officers of BSKyB reside outside the United States. In addition, substantially all of the assets of BSKyB are located outside of the United States. Although BSKyB has agreed, in accordance with the terms of the indenture, to accept service of process in the United States by agents designated for such purpose, it may not be possible for holders of BUCS (a) to effect service of process upon certain of the directors or officers of BSKyB and its subsidiaries or (b) to enforce judgments of courts of the U.S. predicated upon the civil liability of BSKyB and its respective officers and directors under the United States securities laws against any of these persons in the courts of a foreign jurisdiction. BSKyB has been advised by its English legal advisors, Herbert Smith, that there is also doubt as to the direct enforceability in England of civil liabilities predicated upon federal securities laws of the United States.

**PROSPECTUS SUMMARY**

*The following summary is qualified in its entirety by the more detailed information included elsewhere or incorporated by reference in this prospectus. Because this is a summary, it may not contain all the information that may be important to you. You should read the entire prospectus, as well as the information incorporated by reference, before making an investment decision. When used in this prospectus, unless the context otherwise requires, the terms News America, the Company, we, our and us refer to News America Incorporated and its consolidated subsidiaries, News Corporation refers to News Corporation, its predecessor, TNCL, and its consolidated subsidiaries, BSKyB refers to British Sky Broadcasting Group plc and its consolidated subsidiaries and Fox Entertainment and FEG refer to Fox Entertainment Group, Inc. and its consolidated subsidiaries, in each case, unless otherwise specified.*

**News Corporation, News America and Fox Entertainment**

*News Corporation.* News Corporation is a diversified international media and entertainment company with operations in eight segments, including filmed entertainment, television, cable network programming, direct broadcast satellite television, magazines and inserts, newspapers, book publishing and other. Our activities are conducted principally in the United States, the United Kingdom, Italy, Asia, Australia and the

Pacific Basin.

News Corporation's principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036 and News Corporation's telephone number is (212) 852-7000.

*News America.* News America, the principal subsidiary in the United States of News Corporation, is an operating company and holding company, which, together with its subsidiaries and affiliates, conducts substantially all of the U.S. activities of News Corporation. Through its subsidiaries, News America operates in a number of industry segments, including magazines and inserts, newspapers and book publishing.

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News America's principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036, and News America's telephone number is (212) 852-7000.

*Fox Entertainment.* News Corporation owns approximately 82% of the equity of Fox Entertainment, and approximately 97% of its voting power. Fox Entertainment is principally engaged in the development, production and worldwide distribution of feature films and television programs, television broadcasting and cable network programming.

Fox Entertainment's principal executive offices are located at 1211 Avenue of the Americas, New York, New York 10036, and its telephone number at that address is (212) 852-7111.

## **BSkyB**

BSkyB operates the leading pay television broadcast service in the United Kingdom ( UK ) and the Republic of Ireland ( Ireland ) and is one of the leading suppliers of content, including movies, news, sports and general entertainment programming, to pay television operators in the UK. As of September 30, 2004, there were approximately 11.3 million subscribers to BSkyB's pay television service in the UK and Ireland, of which approximately 7.4 million were direct to home, or DTH, subscribers (the remainder being wholesale customers on other platforms).

As of September 30, 2004, News Corporation indirectly owns approximately 35% of the ordinary shares of BSkyB and four of BSkyB's 15 directors are senior executives of News Corporation or its affiliates.

## **Terms of the BUCS**

On March 21 and 25, 2003 and April 2, 2003, we consummated the offering of US\$1,655,000,000 aggregate original liquidation preference of 0.75% Senior Exchangeable BUCS. The offering was made in reliance upon an exemption from the registration requirements of the Securities Act. As part of the offering, we entered into a registration rights agreement with the initial purchasers of the BUCS in which we agreed, among other things, to register certain of the offered securities. Below is a summary of the terms of the BUCS.

|                    |  |
|--------------------|--|
| Issuer             | News Corporation Finance Trust II. The only assets of the trust are the 0.75% senior exchangeable debentures due March 15, 2023 of News America. The trust will therefore have no source of payments on the BUCS other than from payments on the debentures.   |
| Securities offered | US\$1,655,000,000 aggregate original liquidation preference of 0.75% Senior Exchangeable BUCS, which have been registered under the Securities Act.  |
| Guarantor          | News Corporation has irrevocably and unconditionally guaranteed, to the extent set forth herein, the payment in full of (1) any accrued and unpaid distributions and the amount payable upon redemption of the BUCS to the extent News America or any guarantor has made a payment to the property trustee of interest or principal on the debentures and (2) generally, the liquidation preference of the BUCS to the extent News America has made a payment to the property trustee of interest or principal on the debentures. See Description of the BUCS Guarantee. In addition, News Corporation and certain of its subsidiaries will guarantee the debentures as set forth under Description of the Debentures. |

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Issue Price

US\$1,000 per BUCS, plus any accrued distributions from March 21, 2003.



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|                          |   |
|--------------------------|---|
| Maturity                 | The BUCS do not have a stated maturity date, although they are subject to mandatory redemption upon the repayment of the debentures at their stated maturity. The debentures will mature on March 15, 2023. At maturity of the underlying debentures, the amount of cash you will be entitled to receive with respect to your BUCS is the adjusted liquidation preference of your BUCS plus accrued and unpaid distributions and any final period distribution.   |
| Distributions            | Distributions on the BUCS have accrued from the date of issuance and are payable in cash at an annual rate of 0.75% of the original liquidation preference of US\$1,000 per BUCS. Distributions are cumulative and are payable semi-annually in arrears on March 15 and September 15 of each year, commencing September 15, 2003. Because distributions on the BUCS are considered interest for U.S. federal income tax purposes, they do not entitle corporate holders to a dividends-received deduction.  |
| Additional Distributions | <p>We will distribute, as an additional distribution on each BUCS, 75% of any regular cash dividend and 100% of any extraordinary dividend or distribution (other than publicly traded common equity securities) that correspond to dividends, distributions or other payments made in respect of the reference shares. If any publicly traded common equity securities are distributed in respect of the reference shares, those securities will themselves become reference shares.</p> <p>We will pay 75% of any regular cash dividend on the reference shares to you on the next semi-annual distribution payment date on the BUCS.</p> <p>All other additional distributions will be paid or made within 20 business days after the payment or delivery of the related dividends or distributions on the reference shares.</p> <p>On April 23, 2004, BSKyB paid an interim dividend to its shareholders of 2.75 pence per ordinary share. At the Annual General Meeting of BSKyB held on November 12, 2004, a final dividend of 3.25 pence per ordinary share (in respect of BSKyB's year ended June 30, 2004) was approved by BSKyB's shareholders, for payment on November 19, 2004.</p> |
| Ranking                  | The debentures and the guarantees are unsecured senior obligations of News America and the guarantors and are intended to rank equal in right of payment to all existing and future senior unsecured indebtedness of News America and the guarantors. As of June 30, 2004, News Corporation had, on a consolidated basis, approximately US\$9.3 billion of unsecured and unsubordinated indebtedness, all of which ranked equally with the debentures and the guarantees. The debentures will be effectively subordinated to all secured indebtedness to the extent of the value of the assets securing that indebtedness, and will be effectively subordinated to all liabilities of consolidated subsidiaries other than the guarantors. As of June 30, 2004, News Corporation, on a consolidated basis, had approximately US\$ 760 million of secured indebtedness.  |
| Liquidation Preference   | If the trust is liquidated, holders of BUCS will be entitled to receive the liquidation preference of US\$1,000 per BUCS, as adjusted, plus an amount equal to any accrued and unpaid distributions thereon to the date of payment, unless the debentures are distributed to holders. Because the liquidation preference is subject to change, the liquidation preference, at any time of determination, is referred to herein as the adjusted liquidation preference.  |

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|  |   |
|--|---|
| Adjusted Liquidation Preference        | <p>The liquidation preference of the BUCS will not be reduced by any regular cash dividend amount that we distribute to holders of the BUCS.</p> <p>The liquidation preference of the BUCS will be reduced by the amount of all additional distributions that we make to holders of the BUCS that are attributable to extraordinary distributions on or in respect of the reference shares. The adjusted liquidation preference will be further reduced on subsequent distribution payment dates so that the semi-annual distribution payment by us on that date does not represent an annualized yield on the BUCS in excess of 0.75% of the adjusted liquidation preference during the semi-annual period immediately preceding such distribution payment date. In no event will the adjusted liquidation preference ever be less than zero. Reductions to the adjusted liquidation preference will not affect the amount of the semi-annual distribution payment received by a holder of BUCS, which is based on the original liquidation preference.</p>  |
| Exchangeability                        | <p>At your option, each BUCS can be exchanged between April 2, 2004 and March 15, 2023, for the exchange market value, calculated in the manner described in this prospectus, of the reference shares attributable to that BUCS. At the date of this prospectus, the reference shares consist of 77.09 ordinary shares of BSKyB per BUCS; however, the composition of the reference shares is subject to change as described in this prospectus.</p> <p>The trust may pay the exchange market value of each BUCS that you present for exchange as follows:</p> <ul style="list-style-type: none"><li>in cash;</li><li>by delivering the reference shares attributable to the BUCS; or</li><li>a combination of cash and reference shares.</li></ul> <p>In addition, News Corporation may designate a financial institution to which BUCS surrendered for exchange may be offered for exchange into BSKyB ordinary shares. In order to accept BUCS so surrendered, the designated institution must agree to exchange those BUCS for a number of BSKyB ordinary shares equal to the number of BSKyB ordinary shares constituting the reference shares for such BUCS, plus cash for any fractional shares. If the designated institution declines to accept for exchange any BUCS in whole or in part, or if the designated institution agrees to accept any BUCS for exchange but does not timely deliver the related BSKyB ordinary shares, we will exchange those BUCS or parts thereof. See Description of the BUCS Exchange Rights.</p> |
| BSkyB and its Relationship to the BUCS | <p>BSkyB operates the leading pay television broadcaster in the U.K. and Ireland, and is one of the leading suppliers of content, including movies, news, sports and general entertainment programming, to pay television operators in the U.K.</p>   |

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|                                      |   |
|--------------------------------------|---|
|                                      | Neither BSKyB nor any other reference company will have any obligations whatsoever under the BUCS.  |
| Redemption at Your Option            | You may tender your BUCS for redemption on March 15, 2010, March 15, 2013, or March 15, 2018 for payment of the adjusted liquidation preference plus accrued and unpaid distributions and any final period distribution in, at our election, cash, BSKyB ordinary shares, or News Corporation Class A common shares, or any combination thereof.  |
| Redemption at Our Option             | We may redeem the BUCS for cash or BSKyB ordinary shares, or a combination thereof in whole or in part, at any time on or after March 20, 2010, at the adjusted liquidation preference of the BUCS plus any accrued and unpaid distributions and any final period distribution thereon. If we make a partial redemption, BUCS in an original aggregate liquidation preference of at least US\$100 million must remain outstanding.  |
| Tax Event Redemption                 | Upon the occurrence of a tax event (as defined in Description of the BUCS Tax Event Redemption ), we may redeem the BUCS in whole, but not in part, at a redemption price equal to 100% of the adjusted liquidation preference of the BUCS to be redeemed plus an amount equal to any accrued and unpaid distributions and any final period distribution thereon, but only if dissolving the trust and causing the trust to distribute the debentures to the holders of BUCS, as described in Description of the BUCS Distribution of Debentures, would not prevent the occurrence of, or cure, such tax event.   |
| Change in Control                    | Upon a change in control triggering event with respect to News Corporation, each holder may require us to purchase all or a portion of such holder's BUCS in cash at a price equal to the adjusted liquidation preference of the BUCS plus accrued but unpaid distributions to the date of the purchase and any final period distribution thereon. See Description of the BUCS Change in Control Permits Repurchase of BUCS at the Option of the Holder.  |
| Debentures of News America           | The debentures mature on March 15, 2023, and bear interest at the rate of 0.75% per annum, payable semi-annually in arrears. The payment of principal and interest on the debentures is intended to rank equal in right of payment to all existing and future senior unsecured indebtedness of News America.  |
| Guarantee of the Debentures          | The debentures are unconditionally guaranteed by News Corporation and certain of its subsidiaries. The guarantee of each guarantor is intended to rank equal in right of payment to all existing and future senior unsecured indebtedness of such guarantor.  |
| Voting Rights; Enforcement of Rights | Generally, holders of BUCS do not have any voting rights. The property trustee has the power to exercise all rights, powers and privileges under the indenture with respect to the debentures, including its right to enforce News America's or any guarantors' obligations under the debentures upon the occurrence of an event of default, and also has the right to enforce the BUCS guarantee on behalf of the BUCS. Notwithstanding the foregoing, if an event of default under the indenture occurs and is continuing and is caused by the failure of News America and the guarantors to pay interest or principal or make any other payment on the debentures, a holder of BUCS may directly institute a proceeding against News America or any guarantor for enforcement of that payment. |

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|--------------------------------------|---|
| Use of Proceeds                      | We will not receive any of the proceeds from the sale of the BUCS by the selling security holders. See Use of Proceeds and Plan of Distribution.  |
| Risk Factors                         | An investment in the BUCS or securities deliverable with respect thereto involves risks. See Risk Factors described in: this document; Item 3 Key Information Risk Factors beginning on page 35 of News Corporation's Current Report on Form 8-K reporting results for the fiscal year ended June 30, 2004 filed with the Commission on November 24, 2004 and the other information set forth in such Form 8-K or in any other documents subsequently filed with the Commission; Risk Factors beginning on page 8 of BSkyB's Annual Report on Form 20-F filed with the Commission on October 26, 2004; and the other information set forth in such documents or in any other documents subsequently filed with the Commission for a discussion of factors you should carefully consider before deciding to purchase any BUCS. |
| U.S. Federal Income Tax Consequences | For U.S. federal income tax purposes, as an owner of BUCS, you will be considered a beneficial owner of a pro rata portion of the debentures held by the trust. As a beneficial owner of a debenture, the amount of interest income required to be included in income by a holder of BUCS for each year will exceed the semi-annual interest payments you actually receive. Any gain recognized by a holder on the sale or exchange of the BUCS will be ordinary interest income, and any loss will be an ordinary loss to the extent of the interest previously included in income, and thereafter, capital loss. See Certain United States Federal Tax Considerations.  |
| Trading                              | BSkyB's ordinary shares currently trade on the London Stock Exchange and its American Depositary Shares representing BSkyB ordinary shares currently trade on the New York Stock Exchange. News Corporation Class A common shares currently trade on the New York Stock Exchange and the London Stock Exchange. CHES Depositary Instruments ( CDIs ) representing an interest in underlying shares of News Corporation Class A common shares or Class B non-voting common shares (as applicable) currently trade on the Australian Stock Exchange. News Corporation and the trust have not applied and do not intend to apply for the listing of the BUCS or the debentures on any securities exchange. The BUCS are eligible for trading in the Portal Market.   |

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**RISK FACTORS**

In addition to the other information set forth in this prospectus and in the documents incorporated by reference herein, prospective investors should consider carefully the risk factors set forth below before making an investment in the securities offered pursuant to this prospectus.

Because the trust will rely on the payments it receives on the debentures to fund all payments on the BUCS, and because the trust may, in some circumstances, distribute the debentures, a decision to invest in the BUCS will also constitute an investment decision regarding the debentures. You should carefully review the information in this prospectus about the BUCS, the debentures, the guarantees and the securities deliverable upon the exchange or redemption of the BUCS.

**Risk Factors Relating to News Corporation**

*Structural Risks.*

The operations of News Corporation worldwide and the operations of News America in the United States are conducted through subsidiaries, and, therefore, News Corporation and News America are dependent upon the earnings and cash flows of their subsidiaries to meet debt service obligations, including obligations with respect to the BUCS. To the extent that subsidiaries of News Corporation, the subsidiary guarantors and News America are not themselves guarantors of the BUCS or the debentures, the claims of holders of the BUCS or the debentures will be subordinate to claims of creditors of these subsidiaries with respect to the assets of such subsidiaries in the event of bankruptcy or reorganization of such subsidiaries.

*Risks Concerning the Guarantees.*

News Corporation's guarantee with respect to the BUCS, and the guarantees of News Corporation and the subsidiary guarantors with respect to the debentures issued by News America constitute senior indebtedness of each such guarantor and are intended to rank equal in right of payment to all present and future senior unsecured indebtedness of such guarantors. Because the factual bases underlying the obligations created pursuant to News Corporation's various credit facilities, including the Revolving Credit Agreement (as defined in "The Subsidiary Guarantors"), and the other obligations constituting senior indebtedness of News America and the guarantors differ, it is not possible to predict how a court in bankruptcy would accord priorities as between indebtedness under facilities other than the Revolving Credit Agreement, the guarantees thereof, if any, the indebtedness under the BUCS, the debentures, the guarantees, indebtedness under the Revolving Credit Agreement and the guarantees of such indebtedness under the Revolving Credit Agreement. See "Description of Certain Indebtedness." It is possible in certain circumstances that a court could hold obligations of a guarantor pursuant to its guarantee subordinate to direct obligations of such guarantor. In addition, as with the prior TNCL guarantee, if the News Corporation guarantee is challenged by creditors of a guarantor, it is possible that the amount for which such guarantor is liable under its guarantee would be limited (or the rights under the guarantee could be subject to avoidance or subordination) by application of fraudulent conveyance and equitable subordination principles. Where a guarantor is not incorporated in the United States, the laws of such guarantor's place of incorporation may also affect the ability to enforce its guarantee.

**Risk Factors Relating to the Securities**

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*BSkyB has no obligations with respect to the BUCS.*

BSkyB is not involved in the offering of the BUCS, and neither B SkyB nor another reference company will have any obligations with respect to the BUCS, including any obligation to take our interests or your interests into consideration for any reason or under any circumstance. Holders of the BUCS will not be entitled to any rights with respect to the B SkyB ordinary shares or any other reference shares other than indirectly pursuant to the express terms of the BUCS or at such time, if any, that the BUCS are tendered for exchange and we elect to deliver reference shares in connection therewith.

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*The number of reference shares attributable to the BUCS will not adjust for some dilutive transactions involving the reference shares.*

If specific dilutive or anti-dilutive events occur with respect to the reference shares, the number and type of reference shares that will be used to calculate the amount of cash or reference shares you will receive upon exchange, maturity or redemption of the BUCS will be adjusted to reflect such events. These adjustments will not take into account various other events, such as offerings of reference shares by a reference company for cash or business acquisitions by a reference company with the reference shares, that may adversely affect the price of the reference shares and may adversely affect the trading price and market value of the BUCS. We cannot assure you that a reference company will not make offerings of the reference shares or other equity securities or enter into such business acquisitions in the future.

*The BUCS and the debentures may be affected by fluctuations in the market price of BSKyB ordinary shares and we cannot assure you that an active trading market will develop for these securities or that you will be able to resell these securities at or above their purchase price.*

There is currently no public market for the BUCS. In addition, the liquidity of any trading market in the BUCS and, if distributed to the holders thereof, the debentures and the market price quoted for the BUCS and the debentures, may be adversely affected by changes in the overall market for these securities and by changes in BSKyB's financial performance or prospects or in the prospects of companies in BSKyB's industry generally. We cannot predict the extent to which investors' interest will lead to a liquid trading market or whether the market price of the BUCS will be volatile. Because the BUCS and the debentures are exchangeable into BSKyB ordinary shares, their trading prices are likely to be affected by fluctuations in the market price of BSKyB ordinary shares.

*The BUCS guarantee only guarantees payments on the BUCS if News America or the guarantors of the debentures make payments on the debentures.*

If News America and the guarantors fail to make payments on the debentures, the trust will be unable to make the related distribution, redemption or liquidation payments on the BUCS to holders of the BUCS. In those circumstances, a holder of BUCS cannot rely on the BUCS guarantee for payments of those amounts. Instead, if News America and the guarantors are in default under the debentures, a holder of BUCS must either (1) rely on the property trustee of the trust to enforce the trust's rights under the debentures, (2) directly sue News America and the guarantors or (3) seek other remedies to collect its pro rata share of payments owed.

*News America has the option to redeem the debentures, thus causing the redemption of BUCS, without holders' consent if specified tax events occur that render interest payments on the debentures non-deductible or subject the trust to taxation.*

If specified tax events occur that render interest payments on the debentures nondeductible or subject the trust to taxation, see "Description of the BUCS Tax Event Redemption." News America may, subject to certain conditions, redeem the debentures, causing the redemption of the BUCS. The tax event redemption price holders of the BUCS would receive if News America redeems the debentures will be 100% of the adjusted liquidation preference of the BUCS to be redeemed, plus an amount equal to any accrued and unpaid distributions. If News America redeems the debentures, the trust will use the cash it receives from the redemption of the debentures to redeem the BUCS and common securities. If News Corporation elects not to dissolve the trust and distribute the debentures or redeem all or a portion of the debentures upon the occurrence of a tax event, we must pay any increased taxes or expenses of the trust caused by the tax event.

*Adverse U.S. federal income tax consequences from acquiring BUCS.*

For U.S. federal income tax purposes, as an owner of BUCS, you will be considered a beneficial owner of a pro rata portion of the debentures held by the trust. As a beneficial owner of a debenture, the amount of interest income required to be included in income by a holder of BUCS for each year will exceed the semi-annual distribution payments you actually receive. Any gain recognized by a holder on the sale or exchange of the BUCS will be ordinary interest income, and any loss will be an ordinary loss to the extent of the interest previously included in income, and thereafter, capital loss. See Certain United States Federal Tax Considerations.



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*A holder of BUCS has limited voting rights.*

A holder of BUCS has limited voting rights relating only to certain modifications of the BUCS and, in specified circumstances, the exercise of the trust's rights as holder of the debentures and the BUCS guarantee. Except during an event of default with respect to the debentures, only News America can replace or remove any of the trustees or increase or decrease the number of trustees. See Description of the BUCS Voting Rights.

*Ownership of BSKyB ordinary shares by News Corporation.*

Although, as of September 30, 2004, News Corporation indirectly owned 686,021,700 BSKyB ordinary shares, such shares are not held on deposit for the holders of BUCS and there are no restrictions on the ability of News Corporation or its subsidiaries to dispose of their BSKyB ordinary shares at any time. Accordingly, if such shares were to be sold, it could make it more likely that a holder of BUCS would receive cash upon the exchange of BUCS.

**RATIO OF EARNINGS TO FIXED CHARGES OF NEWS CORPORATION**

The tables below set forth the computation of the ratio of earnings to fixed charges of News Corporation and its subsidiaries in accordance with generally accepted accounting principles in the United States (US-GAAP).

| <b>Fiscal Year Ended June 30, <sup>(1)</sup></b> |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>2004</b>                                      | <b>2003</b> | <b>2002</b> | <b>2001</b> | <b>2000</b> |
| 4.1  | 3.6         | 1.7         | 2.4         | 1.5         |

**RATIO OF EARNINGS TO FIXED CHARGES OF FOX ENTERTAINMENT**

The table below sets forth the computation of the ratio of earnings to fixed charges of Fox Entertainment and its subsidiaries in accordance with US-GAAP.

| <b>Fiscal Year Ended June 30, <sup>(1)</sup></b> |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>2004</b>                                      | <b>2003</b> | <b>2002</b> | <b>2001</b> | <b>2000</b> |
| 9.9  | 8.2         | 4.5         | 2.3         | 2.0         |

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- <sup>(1)</sup> The prior years ratio of earnings to fixed charges for June 30, 2000 through June 30, 2003 have been conformed to the fiscal year ended June 30, 2004 presentation.

### USE OF PROCEEDS

Neither we nor the trust will receive any cash proceeds from the issuance of the offered securities, including the sale by the selling security holders of any securities for their own account.

All of the net proceeds from the issuance of the BUCS were invested by the trust in the debentures issued by News America. We used a portion of the net proceeds of that offering to repurchase our 5% exchangeable trust originated preferred securities or its component securities from holders pursuant to privately negotiated transactions and for general corporate purposes.

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**NEWS CORPORATION, NEWS AMERICA AND FOX ENTERTAINMENT**

**News Corporation**

News Corporation is a diversified entertainment company, which manages and reports its businesses in eight segments:

**Filmed Entertainment**, which principally consists of the production and acquisition of live-action and animated motion pictures for distribution and licensing in all formats in all entertainment media worldwide, and the production of original television programming in the United States and Canada.

**Television**, which principally consists of the operation of 35 full power broadcast television stations, including nine duopolies, in the United States. Of these stations, 25 are affiliated with the FOX network, nine with the UPN network and one is an independent station; the broadcasting of network programming in the United States, and the development, production and broadcasting of television programming in Asia and the Middle East.

**Cable Network Programming**, which principally consists of the production and licensing of programming distributed through cable television systems and direct broadcast satellite ( DBS ) operators in the United States.

**Direct Broadcast Satellite Television**, which principally consists of the distribution of premium programming services via satellite directly to subscribers in Italy.

**Magazines and Inserts**, which principally consists of the publication of free standing inserts, which are promotional booklets containing consumer offers distributed through insertion in local Sunday newspapers in the United States, and providing in-store marketing products and services, primarily to consumer packaged goods manufacturers, in the United States and Canada.

**Newspapers**, which principally consists of the publication of four national newspapers in the UK, the publication of more than 100 newspapers in Australia, and the publication of a mass circulation, metropolitan morning newspaper in the United States.

**Book Publishing**, which principally consists of the publication of English language books throughout the world.

**Other**, which includes NDS Group plc, a leading supplier of open end-to-end digital pay-television solutions for the secure delivery of entertainment to television set-top boxes and personal computers.

**News America**

News America, the principal subsidiary in the United States of News Corporation, is an operating company and holding company, which, together with its subsidiaries and affiliates, conducts substantially all of the U.S. activities of News Corporation. Through its subsidiaries, News America operates in a number of industry segments, including magazines and inserts, newspapers and book publishing.

**Fox Entertainment**

Fox Entertainment is a majority owned subsidiary of News Corporation. As of June 30, 2004, News Corporation owns 82% of the equity interest and controls 97% of the voting interest of Fox Entertainment. Fox Entertainment is a diversified entertainment company with operations in the Filmed Entertainment, Television and Cable Network Programming segments, discussed above.

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**NEWS CORPORATION FINANCE TRUST II**

The trust is a statutory trust formed on March 18, 2003 under the Delaware Statutory Trust Act, as amended, which we refer to as the Trust Act, pursuant to a trust declaration among News America, as depositor, the property trustee, the Delaware trustee and the administrative trustees. The trust declaration was amended and restated in its entirety as of the date the trust initially issued the BUCS and the common securities. As amended and restated, the trust declaration is referred to in this prospectus as the trust declaration.

The trust was established solely for the following purposes:

- to issue and sell the BUCS, which represent the undivided beneficial ownership interests in the trust's assets;
- to issue and sell common securities to News America in a total liquidation amount equal to at least 1% of the trust's total capital;
- to invest the proceeds of the issuance and sale of the BUCS and the common securities in the debentures issued by News America;
- to distribute the trust's income as provided in the trust declaration; and
- to engage in only those other activities necessary or incidental to the activities described above, such as registering the transfer of the BUCS.

Pursuant to the trust declaration, the initial number of trustees is five. There are three administrative trustees who are employees or officers of, or who are affiliated with, News America. The fourth trustee, the property trustee, is a financial institution that is unaffiliated with News America. The fifth trustee, the Delaware trustee, is an entity that maintains its principal place of business in the State of Delaware. Initially, The Bank of New York will act as property trustee and its affiliate, The Bank of New York (Delaware), will act as the Delaware trustee until, in each case, removed or replaced by the holder of the common securities of the trust. The Bank of New York will also act as the guarantee trustee under the BUCS and as the indenture trustee under the indenture governing the debentures.

The property trustee holds legal title to the debentures for the benefit of the holders of the BUCS and the common securities, and the property trustee has the power to exercise all rights, powers and privileges under the indenture as the holder of the debentures. In addition, the property trustee maintains exclusive control of a segregated non-interest bearing bank account to hold all payments made in respect of the debentures for the benefit of the holders of the BUCS and the common securities. The guarantee trustee holds the BUCS guarantee for the benefit of the holders of the BUCS. News America paid all fees and expenses related to the trust and the initial offering of the BUCS. See Description of the BUCS Expenses of the Trust.

Because the trust was established only for the purposes listed above, the debentures are the trust's sole assets. Payments on the debentures will be the trust's sole source of income. The trust will not issue any other series of BUCS.

**BSKYB**

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As of September 30, 2004, News Corporation holds indirectly an approximate 35% interest in BSkyB. BSkyB operates the leading pay television broadcast service in the UK and Ireland and is one of the leading suppliers of content, including movies, news, sports and general entertainment programming, to pay television operators in the UK. As of September 30, 2004, there were approximately 11.3 million subscribers to BSkyB's services in the UK and Ireland, of which approximately 7.4 million were direct to home, or DTH, subscribers (the remainder being wholesale customers on other platforms).

DTH subscribers contract directly with BSkyB for the package of basic and premium channels they wish to receive. Cable subscribers, in contrast, contract with their local cable operators, which in turn acquire the rights to distribute certain of the channels owned by BSkyB. BSkyB generates revenues principally from its DTH subscribers and from fees paid by cable operators. Programming offered by BSkyB comprises general entertainment, news, sports and movies. Since October 2002, as well as providing pay television programming via DTH and cable as part

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of an agreement with the British Broadcasting Corporation, or BBC, and Crown Castle UK Limited, BSkyB has transmitted three of its channels unencrypted free-to-air via the DTT platform marketed under the brand Freeview. In October 2004, BSkyB launched its freesat proposition, a free-to-view service offering access to over 200 television and radio channels (including regional variants) and interactive services without a monthly subscription fee.

BSkyB is a public company incorporated in England and Wales. BSkyB's principal executive offices are located at Grant Way, Isleworth, Middlesex, TW7 5QD, England. Its telephone number at that address is 44(0)870 240 3000.

BSkyB's ordinary shares are listed on the London Stock Exchange and its American Depositary Shares, each representing four BSkyB ordinary shares, are listed on the New York Stock Exchange, in each case under the symbol BSY.

**THE SUBSIDIARY GUARANTORS**

The obligations of News America under the debentures are unconditionally guaranteed by News Corporation and the subsidiary guarantors. Set forth below is the name, jurisdiction of incorporation and principal business of each subsidiary guarantor. Except for Fox Entertainment, all of the subsidiary guarantors are direct or indirect wholly-owned subsidiaries of News Corporation. As of June 30, 2004, News Corporation owns approximately 82% of the equity of Fox Entertainment and approximately 97% of its voting power. News Corporation's principal bank credit facility, a five year Revolving Credit Agreement, dated as of June 27, 2003 (the Revolving Credit Agreement), provides for guarantees by News Corporation and the subsidiary guarantors. The subsidiary guarantors may change from time to time.

| <u>Company</u>   | <u>Jurisdiction of Incorporation</u> | <u>Principal Business</u>  |
|--|--------------------------------------|--|
| News Australia Holdings Pty Ltd  | Australia                            | Wholly-owned subsidiary of News Corporation which holds all of the stock of TNCL.  |
| FEG Holdings, Inc.   | Delaware, USA                        | Wholly-owned subsidiary of News America which holds all of News Corporation's equity and voting interest in FEG.   |
| Fox Entertainment Group, Inc.  | Delaware, USA                        | Principally engaged in the development, production and worldwide distribution of feature films and television programs, television broadcasting and cable network programming. |
| News America Marketing FSI, Inc.                                       | Delaware, USA                        | Publishes free standing inserts.   |
| News Publishing Australia Limited                                      | Delaware, USA                        | U.S. holding company, which owns 100% of News America.   |
| News Holdings Limited (formerly known as The News Corporation Limited) | Australia                            | Wholly-owned subsidiary of News Australia Holdings, which serves as a holding company for News Corporation's subsidiaries.   |

News Corporation, a Delaware corporation, and News Australia Holdings Pty Ltd became guarantors on November 12, 2004.

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Supplemental guarantor information is contained in Note 28 to News Corporation's consolidated financial statements (included in its Current Report on Form 8-K reporting results for the fiscal year ended June 30, 2004 filed on November 24, 2004).

After the date hereof, News Corporation proposes to undertake an internal restructuring of the News Group. As a result of the proposed internal restructuring, TNCL will be released as a subsidiary guarantor.

**CORPORATE ORGANIZATION OF NEWS CORPORATION**

The following chart sets forth, in summary form, the corporate organization of the Company, News Corporation and the subsidiary guarantors. The chart is not complete and is presented solely for the reader's convenience. See "The Subsidiary Guarantors."



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**DESCRIPTION OF CERTAIN INDEBTEDNESS**

News Corporation is party to the Revolving Credit Agreement, which provides for a US\$1.75 billion facility, with a sub-limit of US\$600 million available for the issuance of letters of credit, and expires on June 30, 2008. On September 30, 2004, letters of credit representing US\$188 million were issued under the Revolving Credit Agreement.

The Revolving Credit Agreement provides that News America may borrow funds thereunder. Borrowings are denominated in U.S. dollars and the interest rate will fluctuate based on the credit ratings provided to News

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Corporation's senior unsecured public indebtedness by Standard & Poor's Corporation and Moody's Investors Service, Inc. In addition, the obligations under the Revolving Credit Agreement are guaranteed by News Corporation and the subsidiary guarantors.

**PRICE RANGE OF SECURITIES****BSkyB ordinary shares and BSKyB ADSs**

BSkyB's ordinary shares are admitted to the Official List of the London Stock Exchange and its American Depositary Shares, which we refer to as BSKyB ADSs, are listed on the New York Stock Exchange. The principal trading market for BSKyB's ordinary shares is the London Stock Exchange. Each BSKyB ADS represents four ordinary shares. The Bank of New York is the depository of the American Depositary Receipts, which we refer to as BSKyB ADRs, which evidence the BSKyB ADSs.

The following tables set forth for the periods indicated the highest and lowest middle market quotations for the ordinary shares as derived from the Daily Official List of the London Stock Exchange and the highest and lowest sales prices of the BSKyB ADSs as reported on the New York Stock Exchange composite tape.

|                                   | Shares<br>(Pence)  |                    | ADSs <sup>(i)</sup><br>(US\$) |                      |
|-----------------------------------|--------------------|--------------------|-------------------------------|----------------------|
|                                   | High               | Low                | High                          | Low                  |
| <b>Fiscal year ended June 30,</b> |                    |                    |                               |                      |
| 2000                              | 2,158              | 550 <sup>1/2</sup> | 133 <sup>1/3</sup>            | 34 <sup>3/4</sup>    |
| 2001                              | 1,320              | 642                | 80 <sup>2/3</sup>             | 37 <sup>7/100</sup>  |
| 2002                              | 936                | 544                | 53                            | 32 <sup>1/100</sup>  |
| 2003                              | 706                | 458                | 47 <sup>3/25</sup>            | 28 <sup>53/100</sup> |
| 2004                              | 776                | 584 <sup>1/2</sup> | 59 <sup>6/25</sup>            | 40 <sup>13/50</sup>  |
| <b>Fiscal year ended June 30,</b> |                    |                    |                               |                      |
| 2003                              |                    |                    |                               |                      |
| First Quarter                     | 650                | 488                | 40                            | 30 <sup>3/20</sup>   |
| Second Quarter                    | 674 <sup>1/2</sup> | 458                | 42                            | 28 <sup>53/100</sup> |
| Third Quarter                     | 671                | 550                | 44 <sup>13/100</sup>          | 36 <sup>3/10</sup>   |
| Fourth Quarter                    | 706                | 624                | 47 <sup>3/25</sup>            | 39 <sup>22/25</sup>  |
| 2004                              |                    |                    |                               |                      |
| First Quarter                     | 724                | 614 <sup>1/2</sup> | 47 <sup>6/25</sup>            | 40 <sup>13/50</sup>  |
| Second Quarter                    | 709                | 614                | 51 <sup>1/4</sup>             | 41 <sup>9/100</sup>  |
| Third Quarter                     | 776                | 678 <sup>1/2</sup> | 59 <sup>6/25</sup>            | 50 <sup>3/5</sup>    |
| Fourth Quarter                    | 696 <sup>1/2</sup> | 584 <sup>1/2</sup> | 51 <sup>3/10</sup>            | 43 <sup>33/100</sup> |
| 2005                              |                    |                    |                               |                      |
| First Quarter                     | 625                | 465 <sup>1/2</sup> | 46 <sup>33/100</sup>          | 33 <sup>39/50</sup>  |

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| Month Ended        | Shares<br>(Pence)               |                                 | ADSs <sup>(i)</sup><br>(US\$)     |                                   |
|--------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
|                    | High                            | Low                             | High                              | Low                               |
|                    | May 31, 2004                    | 667 <sup>1</sup> / <sub>2</sub> | 606 <sup>1</sup> / <sub>2</sub>   | 48 <sup>13</sup> / <sub>25</sub>  |
| June 30, 2004      | 633 <sup>1</sup> / <sub>2</sub> | 584 <sup>1</sup> / <sub>2</sub> | 46 <sup>13</sup> / <sub>20</sub>  | 43 <sup>33</sup> / <sub>100</sub> |
| July 31, 2004      | 625                             | 603 <sup>1</sup> / <sub>2</sub> | 46 <sup>33</sup> / <sub>100</sub> | 44 <sup>49</sup> / <sub>100</sub> |
| August 31, 2004    | 604                             | 465 <sup>1</sup> / <sub>2</sub> | 44 <sup>87</sup> / <sub>100</sub> | 33 <sup>39</sup> / <sub>50</sub>  |
| September 30, 2004 | 521 <sup>1</sup> / <sub>2</sub> | 478                             | 37 <sup>79</sup> / <sub>100</sub> | 34 <sup>59</sup> / <sub>100</sub> |
| October 31, 2004   | 510                             | 483                             | 37 <sup>43</sup> / <sub>100</sub> | 34 <sup>67</sup> / <sub>100</sub> |

<sup>(i)</sup> Each ADS represents four ordinary shares (up until December 23, 2002, each ADS represented six ordinary shares). Prior year ADS figures in the above table have been restated to reflect this change in ratio.

On November 19, 2004, the closing sales price on the London Stock Exchange of the BSKYB ordinary shares was 557 <sup>1</sup>/<sub>2</sub> p and the closing sales price on the New York Stock Exchange of the BSKYB ADSs was US\$41 <sup>1</sup>/<sub>2</sub>.

**TNCL Preferred ADSs**

Prior to November 3, 2004, TNCL Preferred Shares were listed on the ASX, the London Stock Exchange and the New Zealand Stock Exchange and TNCL ADSs, representing four TNCL Preferred Shares, were listed on the NYSE.

The following table sets forth in Australian dollars the reported high and low closing sales prices on the ASX of TNCL Preferred Shares for the periods listed.

| Fiscal Year Ended June 30, | Preferred Shares<br>of TNCL<br>A\$ |      |
|----------------------------|------------------------------------|------|
|                            | High                               | Low  |
|                            | 2003                               |      |
| First Quarter              | 9.28                               | 7.20 |
| Second Quarter             | 10.96                              | 7.43 |
| Third Quarter              | 10.63                              | 7.86 |
| Fourth Quarter             | 10.05                              | 8.68 |
| 2004                       |                                    |      |
| First Quarter              | 11.50                              | 9.16 |

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|                |       |       |
|----------------|-------|-------|
| Second Quarter | 10.80 | 9.31  |
| Third Quarter  | 10.87 | 9.95  |
| Fourth Quarter | 12.36 | 10.47 |

The following table sets forth in U.S. dollars the reported high and low closing prices on the ASX of the TNCL Preferred Shares, as adjusted for the consummation of the Reorganization and reflected as News Corporation Class A Common Stock and converted to U.S. dollars using the currency exchange rate at such time.

|                                   | Class A<br>Common |       |
|-----------------------------------|-------------------|-------|
|                                   | Stock             |       |
|                                   | US\$              |       |
|                                   | High              | Low   |
| <b>Fiscal Year Ended June 30,</b> |                   |       |
| 2003                              |                   |       |
| First Quarter                     | 10.53             | 7.72  |
| Second Quarter                    | 12.28             | 8.15  |
| Third Quarter                     | 12.44             | 9.50  |
| Fourth Quarter                    | 13.24             | 10.52 |
| 2004                              |                   |       |
| First Quarter                     | 14.78             | 12.43 |
| Second Quarter                    | 15.33             | 13.81 |
| Third Quarter                     | 16.51             | 15.46 |
| Fourth Quarter                    | 17.06             | 16.06 |

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The following table sets forth in U.S. dollars the reported high and low closing sales prices on the NYSE of TNCL Preferred ADSs for the periods listed.

|                                   | TNCL<br>Preferred<br>ADSs<br>US\$ |       |
|-----------------------------------|-----------------------------------|-------|
|                                   | High                              | Low   |
| <b>Fiscal Year Ended June 30,</b> |                                   |       |
| 2003                              |                                   |       |
| First Quarter                     | 20.26                             | 15.32 |
| Second Quarter                    | 23.95                             | 16.00 |
| Third Quarter                     | 24.60                             | 18.95 |
| Fourth Quarter                    | 26.64                             | 21.00 |
| 2004                              |                                   |       |
| First Quarter                     | 29.84                             | 25.05 |
| Third Quarter                     | 31.02                             | 27.60 |
| Second Quarter                    | 34.10                             | 30.15 |
| Fourth Quarter                    | 36.10                             | 32.24 |

The following table sets forth in U.S. dollars the reported high and low closing sales prices on the NYSE for the periods listed of TNCL Preferred ADSs, as adjusted for the consummation of the Reorganization and reflected as News Corporation Class A Common Stock.

|                                   | Class A<br>Common<br>Stock<br>US\$ |       |
|-----------------------------------|------------------------------------|-------|
|                                   | High                               | Low   |
| <b>Fiscal Year Ended June 30,</b> |                                    |       |
| 2003                              |                                    |       |
| First Quarter                     | 10.13                              | 7.66  |
| Second Quarter                    | 11.98                              | 8.00  |
| Third Quarter                     | 12.30                              | 9.48  |
| Fourth Quarter                    | 13.32                              | 10.50 |
| 2004                              |                                    |       |
| First Quarter                     | 14.92                              | 12.53 |
| Second Quarter                    | 15.51                              | 13.80 |
| Third Quarter                     | 17.05                              | 15.08 |
| Fourth Quarter                    | 18.05                              | 16.12 |

On November 12, 2004, the closing sales price on the New York Stock Exchange of News Corporation's Class B Common Stock was US\$18.1 and the closing sales price on Class A Common Stock was US\$17.66.

**News Corporation Class A Common Shares**

News Corporation Class A Common Shares trade on the New York Stock Exchange and will trade on the London Stock Exchange. CDIs representing an interest in underlying shares of News Corporation Class A common shares or Class B non-voting common shares (as applicable) trade on the Australian Stock Exchange.

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**DIVIDENDS**

**BSkyB**

On April 23, 2004, BSKyB paid an interim dividend to its shareholders of 2.75 pence per ordinary share. At the Annual General Meeting of BSKyB held on November 12, 2004, a final dividend of 3.25 pence per ordinary share (in respect of BSKyB's year ended June 30, 2004) was approved by BSKyB's shareholders, for payment on November 19, 2004. BSKyB's Board of Directors has the authority to declare and pay annual and interim dividends, subject to limitations imposed by BSKyB's Articles of Association and English law.

**News Corporation**

TNCL has paid cash dividends for Fiscal 2003 in the amounts of: (i) interim cash dividends in February 2003 of A\$0.0375 per TNCL Preferred Share and US\$0.0930027 per ADS representing TNCL Preferred Shares; and (ii) final cash dividends in August 2003 of A\$0.0375 per TNCL Preferred Share and US\$0.10299 per ADS representing TNCL Preferred Shares. As adjusted for the consummation of the Reorganization and converted to U.S. dollars using the relevant currency exchange rate, TNCL paid dividends of \$.09 per share of Class A Common Stock for the fiscal year 2003.

TNCL has paid cash dividend for Fiscal 2004 in the amounts of: (i) interim cash dividends in February 2004 of A\$0.0375 per TNCL Preferred Share and US\$0.107655 per ADS representing TNCL Preferred Shares; and (ii) final cash dividends in August 2004 of A\$0.0375 per TNCL Preferred Share and US\$0.111555 per ADS representing TNCL Preferred Share. Declaration and payment of dividends is within the sole discretion of News Corporation's Board of Directors, subject to limitations imposed by Delaware law. As adjusted for the consummation of the Reorganization and converted to U.S. dollars using the relevant currency exchange rate, TNCL paid dividends of \$.10 per share of Class A Common Stock for the fiscal year 2004.

**CAPITALIZATION OF BSKYB**

The following table sets forth the consolidated capitalization of British Sky Broadcasting Group plc as of June 30, 2004 in UK-GAAP. The actual British Pound amounts as of June 30, 2004 set forth herein have been derived from, should be read in conjunction with, and are qualified in their entirety by reference to British Sky Broadcasting Group plc's Annual Report on Form 20-F filed October 26, 2004. The capitalization tables set forth herein have been prepared in accordance with UK-GAAP. UK-GAAP differs significantly in certain respects from US-GAAP. A discussion of these significant differences is found in Note 28 of the Consolidated Financial Statements included within Item 18 of BSKyB's Annual Report on Form 20-F filed October 26, 2004. Amounts set forth herein which are stated in British Pounds have been translated into U.S. dollars, solely for the convenience of the reader, at an exchange rate of £1.00 = 1.8600, the noon buying rate on November 19, 2004. Such translations should not be construed as representations that the British Pound amounts represent, or have been or could be converted into, U.S. dollars at that or any other rate.

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The following is in accordance with UK-GAAP (all amounts in millions):

|   | <b>June 30, 2004</b> |                   |
|---|----------------------|-------------------|
| <b>Long-term borrowings</b>                   |                      |                   |
| 8.200% Guaranteed Notes due July 15, 2009     | £ 413                | US\$ 768          |
| 7.750% Guaranteed Notes due July 9, 2009      | 100                  | 186               |
| 6.875% Guaranteed Notes due February 23, 2009 | 367                  | 683               |
| 7.300% Guaranteed Notes due October 15, 2006  | 189                  | 352               |
| Other <sup>(1) (2)</sup>                      | 7                    | 13                |
|   | <hr/>                | <hr/>             |
| <b>Total long-term borrowings</b>             | <b>1,076</b>         | <b>2,002</b>      |
| Total stockholders' funds                     | 90                   | 167               |
|   | <hr/>                | <hr/>             |
| <b>Total capitalization</b>                   | <b>£ 1,166</b>       | <b>US\$ 2,169</b> |

<sup>(1)</sup> Included in other long-term borrowings is £7 million (US\$13 million) of borrowing by the Guarantors. The Guarantors are BSKyB's two main wholly owned operating subsidiaries, British Sky Broadcasting Limited and Sky Subscribers Services Limited.

<sup>(2)</sup> On November 4, 2004 BSKyB entered into a £1,000 million (US\$1,860 million) revolving credit facility. This facility was used to refinance the existing, undrawn £600 million (US\$1,116 million) revolving credit facility, which had been agreed in March 2003 and which was due to mature in March 2008. The new £1,000 million (US\$1,860 million) revolving credit facility has a maturity date of July 2010, and can be used for general corporate purposes. The interest which accrues on the facility is linked to a Net Debt: EBITDA grid, with an initial margin of 0.45% over LIBOR. The \$200 million (US\$372 million) revolving credit facility entered into by BSKyB in March 2001 matured in June 2004, in accordance with its terms.

**FOREIGN EXCHANGE RATES****British Pounds Sterling**

The following table sets forth, for the periods indicated, the average, high, low and period-end noon buying rates in New York City for British pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York, expressed in US\$ per £1.00.

| <b>Fiscal Year Ended June 30,</b> | <b>Average<sup>(1)</sup></b> | <b>High</b> | <b>Low</b> | <b>Period<br/>End</b> |
|-----------------------------------|------------------------------|-------------|------------|-----------------------|
| 2000                              | 1.5890                       | 1.6765      | 1.4705     | 1.5130                |
| 2001                              | 1.4479                       | 1.5190      | 1.3730     | 1.4077                |
| 2002                              | 1.4477                       | 1.5285      | 1.3995     | 1.5245                |
| 2003                              | 1.5859                       | 1.6840      | 1.5192     | 1.6492                |
| 2004                              | 1.7466                       | 1.9045      | 1.5728     | 1.8218                |

<sup>(1)</sup> The average of the noon buying rates from the last business day of each fiscal month during each period presented.



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The following table sets out, for the periods indicated, information concerning the high and low rates of exchange for the British pounds sterling for each month during the previous six months based on the noon buying rate:

| <u>Period</u>  | <u>High</u> | <u>Low</u> |
|----------------|-------------|------------|
| May 2004       | 1.8369      | 1.7544     |
| June 2004      | 1.8387      | 1.8090     |
| July 2004      | 1.8734      | 1.8160     |
| August 2004    | 1.8459      | 1.7921     |
| September 2004 | 1.8105      | 1.7733     |
| October 2004   | 1.8404      | 1.7790     |

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On November 19, 2004, the latest practicable date for which exchange rate information was available before the filing of this document, the noon buying rate was US\$1.8600 per £1.00.

**United Kingdom Exchange Controls and Other Limitations Affecting Holders**

There are no U.K. government laws, decrees, regulations or other legislation which restrict or which may affect the import or export of capital, including the availability of cash and cash equivalents for use by us or the remittance of dividends, interest and other payments to non-resident holders of our securities, except as otherwise described under "Certain U.K. Tax Consequences" below.

Under English law (and B SkyB's Memorandum and Articles of Association), persons who are neither residents nor nationals of the United Kingdom may freely hold, vote and transfer ordinary shares in the same manner as U.K. residents or nationals.

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### **DESCRIPTION OF THE BUCS**

This description summarizes the material terms of the BUCS and the material provisions of the documents described below. This description is subject to, and is qualified in its entirety by reference to, all of the provisions of the documents described below (including the definitions therein of certain terms). If this description differs in any way from the summary in this prospectus, you should rely on this description. Copies of the trust declaration are available as set forth under [Additional Information](#) below.

#### **General**

The trust declaration authorizes the administrative trustee, on behalf of the trust, to issue the BUCS and the common securities, which we refer to herein as the trust securities. The trust securities represent undivided beneficial interests in the assets of the trust. News America or one of its subsidiaries will own all of the common securities. The common securities rank equally with the BUCS, and payments on the common securities are to be made on a proportionate basis with the BUCS, except as described below under [Subordination of Common Securities](#). Legal title to the debentures is held by the property trustee in trust for the benefit of the holders of the BUCS and common securities.

The trust declaration does not permit the trust to issue any securities other than the BUCS and the common securities or to incur any indebtedness. News Corporation has guaranteed the payment of distributions by the trust, and payments upon redemption of the BUCS or liquidation of the trust, only if and to the extent that News America has made payments of interest or principal on the debentures held by the trust, as described under [Description of the BUCS Guarantee](#). The BUCS guarantee is held by the guarantee trustee for the benefit of the holders of the BUCS. The remedies of a holder of BUCS in the event that payments on the BUCS are not paid when due are described below under

[Enforcement of Certain Rights by Holders of BUCS](#) and [Description of the BUCS Guarantee Events of Default; Enforcement of Certain Rights by Holders of BUCS](#).

#### **Distributions**

Distributions on each BUCS are payable in cash at the annual rate of 0.75% of the original liquidation preference of US\$1,000 per BUCS. Distributions will accrue from and including the date the BUCS were first issued and are payable semi-annually in arrears on March 15, and September 15 of each year, commencing September 15, 2003 to the persons in whose names the BUCS are registered at the close of business on the preceding March 1 or September 1. The amount of distributions payable for any period is computed on the basis of a 360-day year of twelve 30-day months.

Distributions on the BUCS will be made on the dates on which they are payable to the extent that the trust has funds available for the payment of such distributions in the property trustee's account. The funds of the trust available for distribution to holders of the BUCS will be limited to payments received by the trust from News America and the guarantors under the debentures. See [Description of the Debentures](#). If News America and the guarantors do not make interest payments on such debentures, the property trustee will not have funds available to pay distributions on the BUCS. The payment of distributions (if and to the extent News America or a guarantor has made payments of principal or interest on the debentures held by the trust) is guaranteed by News Corporation on a limited basis as described below under [Description of the BUCS Guarantee](#).

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As long as the BUCS remain in book-entry form, subject to any applicable laws and regulations and the provisions of the trust declaration, each such payment will be made as described below under Form, Transfer, Exchange and Book-Entry Procedures.

### **Exchange Rights**

The BUCS are exchangeable into the exchange market value of the reference shares at any time on or after April 2, 2004 but before the close of business on the third business day immediately preceding March 15, 2023 (or, in the case of BUCS called for redemption, before the close of business on the third business day before the applicable redemption date), at the option of the holders of BUCS and in the manner described below. The initial

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reference shares attributable to each BUCS are 77.09 BSKyB ordinary shares (equivalent to an original exchange price of US\$12.9719 per ordinary share of BSKyB ordinary shares based on the 10 a.m. Buying Rate), subject to further adjustment as described below. See "Changes to the Reference Shares" below.

We may pay the exchange market value of the reference shares for each BUCS that a holder presents for exchange as follows:

in cash;

by delivering the reference shares attributable to the BUCS; or

in a combination thereof.

The terms of the BUCS provide that a holder of BUCS wishing to exercise its exchange right shall surrender such BUCS, together with an irrevocable exercise notice indicating the holder's election, in the event we elect to satisfy our exchange obligation with reference shares, to receive BSKyB ordinary shares or BSKyB ADRs upon such exchange, to the property trustee, as exchange agent. For purposes of this discussion, if the BUCS are tendered by 9:30 a.m. on a trading day, such day shall be the exchange date. If the BUCS are tendered after 9:30 a.m., the following trading day shall be the exchange date.

When a holder surrenders BUCS for exchange, the exchange agent, if we so request, will cause the debentures underlying the BUCS tendered for exchange first to be offered to a financial institution chosen by News Corporation, if any, for exchange. In order to accept BUCS surrendered for exchange, the designated institution must agree to exchange for such BUCS a number of BSKyB ordinary shares plus any other common equity securities constituting the reference shares for such BUCS, plus cash for any fractional shares. The financial institution is not bound by the holder's election to receive BSKyB ordinary shares or BSKyB ADRs.

Such institution must notify the exchange agent whether it will accept the BUCS for exchange on the first trading day immediately following the exchange date. If the financial institution elects to accept any such BUCS, it will deliver the appropriate number of BSKyB ordinary shares to the exchange agent and the exchange agent will deliver those shares to the holder who surrendered the BUCS within four trading days of the exchange date. Our designation of an institution to which BUCS may be submitted for exchange does not require the institution to accept any BUCS from the exchange agent.

If the designated financial institution declines to accept any BUCS for exchange, we will notify you through the exchange agent of our election to pay cash or deliver reference shares, or a combination of the foregoing, which notification shall be irrevocable, no later than 10:00 a.m., New York City time, on the second trading day following the exchange date. If the designated institution agrees to accept any BUCS for exchange but does not timely deliver the reference shares, we will exchange the BUCS and deliver the reference shares.

Any BUCS accepted for exchange by the designated institution will remain outstanding.

If we elect to pay in cash, the exchange market value of the BUCS will be the average of the daily volume weighted average price, or VWAP, of the reference shares during the 10 consecutive trading days beginning on the day following our notice to you of our intention to exchange those

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BUCS for cash, appropriately adjusted into U.S. dollars based on the 10 a.m. Buying Rate for such currency on each such day. We will pay the exchange market value within three business days after the end of such 10 trading day period.

If a BUCS is surrendered for exchange after the close of business on any regular record date for payment of a distribution and before the opening of business on the corresponding distribution payment date, then, notwithstanding such exchange, the distribution payable on such distribution payment date will be paid in cash to the person in whose name the BUCS is registered at the close of business on such record date, and, other than a BUCS or a portion of a BUCS called for redemption on a redemption date occurring after such record date and before such distribution payment date, when so surrendered for exchange the BUCS must be accompanied by payment of an amount equal to the distribution payable on such distribution payment date.

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No fractional BSKyB ordinary shares will be delivered upon any exchange. Instead, we will pay holders cash in lieu of fractional shares based on the closing market price of BSKyB ordinary shares on the trading day before the date such BUCS are surrendered for exchange.

If more than one BUCS is surrendered for exchange by the same holder at the same time, the number of full shares of BSKyB ordinary shares deliverable upon exercise of those BUCS will be computed on the basis of the total number of BUCS surrendered for exchange.

We will not pay any consideration to, or otherwise enter into any arrangement with, the designated institution for or with respect to such designation. We initially designated Salomon Smith Barney Inc. as the institution to which offers described above will be made, although we may change this designation at any time.

Holdes may obtain copies of the required form of the exchange notice from the exchange agent. So long as a book-entry system for the BUCS is in effect, however, procedures for exchanging the BUCS will differ, as described below under Certain Book-Entry Procedures for Global Certificates.

## **Additional Distributions**

If a reference company pays or makes a dividend or distribution on its reference shares, we shall, except as provided below, pay or make an additional distribution to holders of the BUCS based on that dividend or distribution. At the date of this prospectus, the reference shares attributable to each BUCS consist of 77.09 ordinary shares of BSKyB, and BSKyB is the initial reference company. The reference shares and the reference company are subject to change as described under Changes to the Reference Shares below.

We will treat as a regular cash dividend any cash dividend that is paid by a reference company in accordance with its publicly announced regular common equity dividend policy. We refer to any dividend or distribution by a reference company on its reference shares that is not a regular cash dividend as an extraordinary distribution. We will treat as an extraordinary distribution any consideration that is distributed in connection with a merger, consolidation, share exchange, liquidation, dissolution or similar or equivalent process involving a reference company.

On April 23, 2004, BSKyB paid an interim dividend to its shareholders of 2.75 pence per ordinary share. At the Annual General Meeting of BSKyB held on November 12, 2004, a final dividend of 3.25 pence per ordinary share (in respect of BSKyB's year ended June 30, 2004) was approved by BSKyB's shareholders, for payment on November 19, 2004.

We will pay, except as provided below, to the holder of each BUCS, as an additional distribution, 75% of any regular cash dividend paid in respect of the reference shares attributable to each BUCS. We will pay any such additional distribution with respect to any regular cash dividend on the next semi-annual distribution payment date for the BUCS. The additional distribution will be paid to holders of BUCS as of 5:00 p.m., New York City time, on the regular record date for that distribution payment date.

Whether and what we pay or make by way of an additional distribution following an extraordinary distribution by a reference company on its reference shares will depend on the nature of the extraordinary distribution. If an extraordinary distribution consists of cash, we will pay to

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holders of the BUCS, as an additional distribution on each BUCS, 100% of the cash distribution received by a holder of the number of reference shares attributable to a BUCS.

If an extraordinary distribution consists of publicly traded common equity securities, we will not make an additional distribution to holders of the BUCS. Rather, the number of publicly traded common equity securities (including fractions thereof) distributed to a holder of the number of reference shares attributable to a BUCS will be treated as reference shares that are also attributable to that BUCS.

If an extraordinary distribution consists of publicly traded securities other than common equity securities, including options, warrants or similar rights to acquire reference shares, we will cause to be delivered to the holders of the BUCS, as an additional distribution on each BUCS, those securities received by a holder of the number of reference shares attributable to a BUCS. We will not, however, deliver fractional securities. Instead, we will pay



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cash in an amount equal to the product of the fractional interest times the closing price of the security as of the special record date we set for the additional distribution. If we are unable to distribute any securities as an additional distribution because necessary qualifications or registrations under applicable state or federal laws cannot be obtained on a timely basis, then the additional distribution may instead consist of cash. The cash payment will be based on the average, over the 10 trading days ending on the trading day next preceding the date the additional distribution is paid, of the closing prices of the security that would have otherwise been delivered.

If an extraordinary distribution consists of assets or property other than cash or publicly traded securities, we will pay to holders of the BUCS, as an additional distribution on each BUCS, an amount of cash equal to the fair market value of the assets or properties distributed to a holder of the number of reference shares attributable to a BUCS. That fair market value will be determined, in good faith, by News Corporation's board of directors. However, a nationally recognized investment banking or appraisal firm retained by us will make that determination if we expect the aggregate fair market value of the assets or properties distributed on the number of reference shares attributable to all of the outstanding BUCS to exceed US\$100,000,000.

Publicly traded common equity securities that are issued in connection with a merger, consolidation, share exchange, liquidation, dissolution or similar or equivalent process involving a reference company will themselves become reference shares. See [Changes to the Reference Shares](#) below.

We will make an additional distribution that is attributable to an extraordinary distribution on the twentieth business day after such extraordinary distribution is made by the applicable reference company or successor reference company. The additional distribution will be paid to holders of the BUCS as of a special record date that will be the tenth business day prior to the date that we pay the additional distribution.

News Corporation will issue a press release setting forth the amount and composition, per BUCS, of any additional distribution to be made that is attributable to an extraordinary distribution, and will deliver such release to The Depository Trust Company, which we refer to as DTC, for dissemination through the DTC broadcast facility. All additional distributions that are paid or made in respect of any regular cash dividend amount or extraordinary distributions will be paid or made without any interest or other payment in respect of such amounts.

## **Adjusted Liquidation Preference**

*Original Liquidation Preference.* The liquidation preference of the BUCS initially is equal to their original liquidation preference, which is US\$1,000 for each BUCS.

*Adjustments To Liquidation Preference.* The liquidation preference of the BUCS will be adjusted downward to reflect any additional distributions that we make to holders of the BUCS that are attributable to extraordinary distributions made on the reference shares. No adjustment will be made to the liquidation preference, however, for additional distributions that are paid in respect of any regular cash dividend amount. Because the liquidation preference of the BUCS is subject to reduction, we refer to the liquidation preference of a BUCS at any time as its adjusted liquidation preference as the context requires. In no event will the adjusted liquidation preference of a BUCS be less than zero.

On any date that we pay or make an additional distribution to the holders of the BUCS that is attributable to an extraordinary distribution on the reference shares, the original liquidation preference of each BUCS (or, if such liquidation preference has previously been reduced, the adjusted liquidation preference of the BUCS) will be reduced by the amount of the additional distribution that is paid or made with respect to that BUCS.

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Thereafter, the adjusted liquidation preference will be further reduced on each successive semi-annual distribution payment date to the extent necessary to cause the semi-annual distribution payment on that date to represent the payment by us, in arrears, of an annualized yield of 0.75% of the adjusted liquidation preference of the BUCS. An adjustment for purposes of ensuring that we do not pay an annualized yield of more than 0.75% of the adjusted liquidation preference of the BUCS that is necessitated by the payment of an additional distribution to holders of the BUCS will take effect on the second succeeding distribution payment date after the payment of that distribution. We will issue a press release, and provide the release to DTC for dissemination through the DTC broadcast facility, each time an adjustment is made to the adjusted liquidation preference of the BUCS.

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The adjustments described above will not affect the amount of the semi-annual distribution payments received by holders of BUCS, which will continue to be a rate equal to 0.75% per annum of the original liquidation preference of the BUCS.

### **Tax Event Redemption**

Upon the occurrence of a tax event, as described below, News America may redeem the debentures, at its option, at any time, in whole but not in part, before the maturity of the debentures at a redemption price equal to 100% of the adjusted principal amount of the debentures so redeemed plus an amount equal to any accrued and unpaid interest and any final period distribution, within 90 days after such tax event; provided that News America may effect such redemption only if dissolving the trust and causing the trust to distribute the debentures to the holders of BUCS, as described in Distribution of Debentures, would not prevent the occurrence of, or cure, such tax event.

Promptly following any such redemption of the debentures, the trust will redeem the BUCS having an adjusted liquidation preference equal to the aggregate adjusted principal amount of the debentures redeemed at a redemption price equal to the liquidation preference of such BUCS plus an amount equal to any accrued and unpaid distributions to the redemption date and any final period payment thereon. The common securities will be redeemed on a proportionate basis with the BUCS, except that if a trust declaration event of default has occurred and is continuing, the BUCS will have a priority over the common securities with respect to the redemption price.

If a tax event occurs and is continuing and News America does not elect to either (1) distribute the debentures (see Distribution of Debentures ) or (2) redeem the debentures, subject to the conditions set forth above, News Corporation will pay all additional taxes and other expenses of the trust (see Expenses of the Trust ), so that the amount of distributions then due and payable by the trust on the outstanding trust securities will not be reduced as a result of any additional taxes and other expenses to which the trust has become subject as a result of a tax event.

A tax event means the receipt by the property trustee, on behalf of the trust, of an opinion of counsel, rendered by a law firm having a recognized national tax and securities law practice (which opinion shall not have been rescinded by such law firm), to the effect that, as a result of:

any amendment to, or change, including any announced prospective change, in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein affecting taxation, or

any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or such pronouncement or decision is announced on or after the date of issuance of the BUCS under the trust declaration, there is more than an insubstantial risk that:

the trust is, or within 90 days of the date thereof will be, subject to U.S. federal income tax with respect to income received or accrued on the debentures, interest paid by News America on such debentures is not, or within 90 days of the date thereof will not be, deductible by News America, in whole or in part, for U.S. federal income tax purposes, or

the trust is, or within 90 days of the date thereof will be, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

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The trust may not redeem the BUCS in part unless all accrued and unpaid distributions have been paid in full on all outstanding BUCS for all semi-annual distribution periods terminating on or before the redemption date. If fewer than all the outstanding BUCS are to be redeemed, the BUCS to be so redeemed will be selected by DTC, as described below under Form, Transfer, Exchange and Book-Entry Procedures.

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### **Redemption at Our Option**

Except as provided under **Mandatory Redemption** , **Redemption as a Result of an Obligation to Pay Additional Amounts** and **Change in Control Permits Repurchase of BUCS at the Option of the Holder** below and **Tax Event Redemption** above, the trust may not redeem the BUCS before March 20, 2010. On and after March 20, 2010, upon any permitted redemption by News America of the debentures, the BUCS are subject to redemption, in whole or in part, upon not less than 30 days nor more than 60 days notice, at the then adjusted liquidation preference plus accrued and unpaid distributions and any final period distributions. The trust may pay the redemption price in cash, BSKyB ordinary shares or a combination thereof and will inform the holder of its decision in such notice.

The value of BSKyB ordinary shares to be delivered upon redemption will be determined based on the average daily VWAP (appropriately adjusted each day into U.S. dollars based on the 10 a.m. Buying Rate for such currency on such day) of BSKyB ordinary shares on the London Stock Exchange, or the principal stock exchange on which the BSKyB ordinary shares trade, if other than the London Stock Exchange, during the 10 consecutive trading day period immediately prior to the fifth business day preceding the redemption date. If the trust makes a partial redemption, BUCS in an original aggregate liquidation preference of at least US\$100 million must remain outstanding.

The trust may not redeem the BUCS in part unless all accrued and unpaid distributions have been paid in full on all outstanding BUCS for all semi-annual distribution periods terminating on or before the redemption date. If fewer than all the outstanding BUCS are to be redeemed, the BUCS to be so redeemed will be selected by DTC as described below under **Form, Transfer, Exchange and Book-Entry Procedures**.

### **Redemption at Your Option**

Holders of the BUCS may tender BUCS for purchase by us on March 15, 2010, March 15, 2013, or March 15, 2018 for payment of the adjusted liquidation preference of such BUCS plus an amount equal to any accrued and unpaid distributions and any final period distribution (the redemption purchase price ). News America may elect to pay the redemption purchase price in cash, BSKyB ordinary shares, or News Corporation Class A common shares, or any combination thereof. Holders may submit their BUCS for redemption to the paying agent at any time from the opening of business that is 20 business days prior to the purchase date until the close of business on the fifth business day prior to the purchase date.

On a date not less than 30 but no more than 60 days prior to each purchase date, we are required to give notice to all holders at their addresses shown in the register of the registrar, and beneficial owners as required by applicable law, stating, among other things, the procedures that holders must follow to require us to purchase their BUCS. We will also state whether we will pay the redemption purchase price of BUCS in cash, BSKyB ordinary shares, News Corporation Class A common shares or a combination thereof.

The number of BSKyB ordinary shares or News Corporation Class A common shares deliverable upon redemption shall be equal to the number obtained by dividing the redemption purchase price by the cash redemption market value of such security.

If we elect to pay in BSKyB ordinary shares or News Corporation Class A common shares, the redemption market value of the BUCS will be the average daily VWAP (appropriately adjusted each day into U.S. dollars based on the 10 a.m. Buying Rate for such currency on such day) of the security in which we elect to pay during the 10 consecutive trading day period, immediately prior to the fifth business day preceding the redemption date. We will pay the redemption market value on the redemption date.

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The purchase notice given by each holder electing to require us to purchase BUCS must be given so as to be received by the paying agent no later than the close of business on the fifth business day prior to the purchase date and must state:

the certificate numbers of the holder's BUCS to be delivered for purchase;

the portion of the adjusted liquidation preference of the BUCS to be purchased; and

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that the BUCS are to be purchased by us pursuant to the applicable provisions of the BUCS.

A holder may withdraw any purchase notice by delivering a written notice of withdrawal to the paying agent by the close of business on the third business day prior to the purchase date. The notice of withdrawal shall state:

the adjusted liquidation preference of the BUCS being withdrawn;

the certificate numbers of the BUCS being withdrawn; and

the liquidation preference, if any, of the BUCS that remain subject to the purchase notice.

In connection with any purchase offer, we will:

comply with the provisions of Rule 13e-4, Rule 14e-1 and any other tender offer rules under the Exchange Act which may then apply;  
and

file Schedule TO or any other required schedule under the Exchange Act.

Our obligation to pay the purchase price for a BUCS as to which a purchase notice has been delivered and not validly withdrawn is conditioned upon the holder delivering the BUCS, together with necessary endorsements, to the paying agent at any time after delivery of the purchase notice. We will cause the redemption purchase price for the BUCS to be paid promptly following the later of the purchase date or the time of delivery of the BUCS.

If the paying agent holds money or securities sufficient to pay the redemption purchase price of the BUCS on the purchase date in accordance with the terms of the trust declaration, then, immediately after the purchase date, the BUCS will cease to be outstanding and distributions on such BUCS will cease to accrue, whether or not such BUCS is delivered to the paying agent. After the BUCS ceases to be outstanding, all other rights of the holder shall terminate, other than the right to receive the redemption purchase price upon delivery of the BUCS.

The terms of our then-existing borrowing agreements may limit our ability to purchase BUCS.

We may not purchase any BUCS at the option of holders if an event of default with respect to the BUCS, other than a default in the payment of the redemption purchase price with respect to such BUCS, has occurred and is continuing.

**Change in Control Permits Repurchase of BUCS at the Option of the Holder**

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Within 15 business days after the occurrence of a Change of Control Triggering Event, as herein defined, we will be required to make an offer, or a Change of Control Offer, to purchase all of the BUCS at a purchase price equal to the adjusted liquidation preference of the BUCS and any accrued but unpaid distribution to the date of purchase plus any final period distribution.

We shall commence a Change of Control Offer by mailing a notice to each holder stating:

that the Change of Control Offer is being made pursuant to a covenant in the indenture and that all BUCS validly tendered will be accepted for payment;

the purchase price and the purchase date (which shall be not less than 30 days nor more than 60 days from the date such notice is mailed) (the Change of Control Payment Date );

that any BUCS accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;

that holders electing to have BUCS purchased pursuant to the Change of Control Offer will be required to surrender the BUCS to the paying agent at the address specified in the notice prior to the close of business on the third business day preceding the Change of Control Payment Date;



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that holders will be entitled to withdraw their tender of BUCS on the terms and conditions set forth in such notice which will allow any holder to withdraw BUCS if they notify the Trustee prior to the Change of Control Payment Date; and

that holders who elect to require that only a portion of the BUCS held by them be repurchased by News Corporation will be issued new BUCS equal in the original liquidation preference to the unpurchased portion of the BUCS surrendered. No BUCS will be purchased from any holder who does not tender any BUCS pursuant to the Change of Control Offer.

On the Change of Control Payment Date, we shall (i) accept for payment tendered BUCS or portions thereof pursuant to the Change of Control Offer, (ii) deposit with the paying agent cash in same-day funds sufficient to pay the purchase price of BUCS or portions thereof so accepted and (iii) deliver, or cause to be delivered, to the Trustee BUCS so accepted. The paying agent shall promptly make available to the holders of BUCS so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and make available for delivery to such holders a new security of the same class equal in principal amount to any unpurchased portion of BUCS surrendered. News Corporation will publicly announce the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date. For purposes of this covenant, the Trustee shall act as the paying agent.

This covenant is intended to allow the holders the option of having their BUCS purchased in the event that members of the Murdoch Family (as herein defined) no longer effectively control News Corporation and a Rating Decline (as herein defined) occurs shortly thereafter.

News Corporation and its subsidiaries will comply with the appropriate provisions of the Exchange Act, including Rule 14e-1, in the event of a Change of Control Offer. The Change of Control purchase feature of the BUCS may in certain circumstances make more difficult or discourage a takeover of News Corporation and, thus, the removal of incumbent management. The Change of Control purchase feature, however, is not the result of management's knowledge of any specific effort to accumulate ordinary shares of News Corporation or to obtain control of News Corporation by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions. Instead, the Change of Control purchase feature is a standard term contained in other offerings of debt securities of other issuers containing features corresponding to the terms of the BUCS.

As of June 30, 2004, News Corporation had outstanding approximately US\$10.2 billion of debt under various senior indentures, which contain change of control provisions similar to those set forth herein. The terms of News Corporation's Revolving Credit Agreement and certain other outstanding obligations contain change of control provisions that do not require a Rating Decline as a condition to the triggering of obligations with respect to repayment. In the event of the default by News Corporation or the guarantors in the payment of its or their obligations with respect to such other indebtedness (including a default in making required payments upon a change of control or a Change of Control Triggering Event), such default would, to the extent that the aggregate amount of indebtedness outstanding which is declared to be due and payable under such instrument or instruments exceeds US\$100 million, constitute an event of default under the BUCS.

Our ability to repurchase the BUCS upon a Change of Control Triggering Event will depend upon the availability of cash sufficient to pay the purchase price and upon the terms of News America and News Corporation's then existing loan agreements and indentures. If a Change of Control were to occur, there can be no assurance that News Corporation would have funds sufficient to pay the Change of Control purchase price for all of the BUCS that might be delivered by holders seeking to exercise the purchase right. In addition, the Revolving Credit Agreement, to which News America, News Corporation and certain of their affiliates are parties, could restrict the ability of News Corporation to repurchase the BUCS upon a Change of Control. The ability of News Corporation to repurchase the BUCS upon a Change of Control will depend upon the principal amount of the BUCS required to be repurchased, the limitations imposed by the covenants (whether contained in the Revolving Credit Agreement or otherwise) then in effect and, if required, the consent by the banks representing a majority of the outstanding indebtedness under the Revolving Credit Agreement.

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Change of Control shall mean the occurrence of the following: any person (as the term person is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) other than News Corporation, any subsidiary of News Corporation, any employee benefit plan of either News Corporation or any subsidiary of News Corporation, or the Murdoch Family, becomes the beneficial owner of the greater of (A) 30% or more of the combined voting power of News Corporation's then outstanding ordinary shares entitled to vote generally for the election of directors, or the Voting Securities; and (B) if the Murdoch Family is the beneficial owner of, or has the right to vote, more than 30% of the Voting Securities, a percentage of Voting Securities greater than the percentage of Voting Securities so owned or voted by the Murdoch Family.

Change of Control Triggering Event shall mean a Change of Control and a Rating Decline.

Investment Grade is defined as a rating of BBB- or higher by Standard & Poor's Corporation and its successors, or S&P, or a rating of Baa3 or higher by Moody's Investor Service, Inc. and its successors, or Moody's, or the equivalent of such ratings.

Murdoch Family shall mean K. Rupert Murdoch, his wife, parents, children, or brothers or sisters or children of brothers or sisters, or grandchildren, grand nieces and grand nephews and other members of his immediate family or any trust or any other entity directly or indirectly controlled by one or more of the members of the Murdoch Family described above, or the controlled entities. A trust shall be deemed controlled by the Murdoch Family if the majority of the trustees are members of the Murdoch Family or can be removed or replaced by any one or more members of the Murdoch Family or the controlled entities.

Rating Agencies is defined as (i) S&P and (ii) Moody's or (iii) if S&P or Moody's or both shall not make a rating of the BUCS publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by News Corporation, which shall be substituted for S&P or Moody's or both, as the case may be, so that there shall always be two nationally recognized securities rating agencies rating the BUCS.

Rating Category is defined as (i) with respect to S&P, any of the following categories: BB, B, CCC, CC, C and D (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the BUCS has decreased by one or more gradations, gradations within Rating Categories (+ and for S&P; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from BB+ to BB, as well as from BB- to B+, will constitute a decrease of one gradation).

Rating Date is defined as the date which is 90 days prior to the earlier of (i) a Change of Control or (ii) public notice of the occurrence of a Change of Control or of the intention by News Corporation to effect a Change of Control.

Rating Decline is defined as the occurrence of the following on, or within 90 days after the earlier of, (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or the intention by News Corporation to effect a Change of Control (which period shall be extended so long as the rating of the BUCS is under publicly announced consideration for a possible downgrade by any of the Rating Agencies), (a) in the event the BUCS are rated by either Rating Agency on the Rating Date as Investment Grade, the rating of the BUCS shall be reduced so that the BUCS are rated below Investment Grade by both Rating Agencies, or (b) in the event the BUCS are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the BUCS by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

**Mandatory Redemption**

Upon repayment of the debentures at maturity or as a result of the acceleration of the debentures upon the occurrence of an indenture event of default described below under Description of the Debentures Indenture Events of Default, the trust shall use the cash it receives to redeem BUCS having an aggregate adjusted liquidation preference equal to the aggregate adjusted principal amount of the debentures so repaid plus an amount equal to any

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accrued and unpaid distributions on the BUCS. In the case of acceleration of the debentures, the trust will redeem the BUCS only after it actually receives repayment of the debentures.

### **Redemption as a Result of an Obligation to Pay Additional Amounts**

News America may redeem the debentures, at its option, for cash, in whole but not in part, at any time, upon not less than 30 nor more than 60 days notice given in the manner described in the indenture (which notice shall be irrevocable), at a price equal to 100% of the adjusted principal amount of the debentures to be redeemed plus an amount equal to any accrued and unpaid interest payments to the redemption date and any final period interest payment thereon, if (i) News America is financially unable to fulfill its obligations under the indenture and a guarantor is required to make payments on the debentures pursuant to its guarantee, (ii) a guarantor that is not a U.S. resident has or will become obligated to pay the amounts described under Certain United States Federal Tax Considerations Additional Amounts and (iii) such obligation cannot be avoided by the guarantor taking reasonable measures (including News Corporation causing any other guarantor to make payments pursuant to the guarantee) that require no material cost to News Corporation or any other guarantor. See Certain United States Federal Tax Considerations Additional Amounts.

Promptly following any such redemption of the debentures, the trust will redeem the BUCS having an adjusted liquidation preference equal to the aggregate adjusted principal amount of the debentures redeemed at a redemption price equal to the adjusted liquidation preference of such BUCS plus an amount equal to any accrued and unpaid distributions to the redemption date and any final period distribution thereon. The common securities will be redeemed on a proportionate basis with the BUCS.

### **Redemption Procedures**

The property trustee will give holders of BUCS at least 30, but not more than 60, days notice of any redemption of BUCS, including any redemption at your option following a Change of Control Triggering Event, which notice will be irrevocable.

If the property trustee gives a notice of redemption of the BUCS, then by 12:00 noon, New York City time, on the redemption date, the property trustee will deposit irrevocably with DTC or the exchange agent, as the case may be, funds sufficient to pay the applicable redemption price for the BUCS to be redeemed to the extent News Corporation has paid the property trustee a sufficient amount of cash in connection with the related redemption or repayment of the debentures. The property trustee will also give DTC or the exchange agent, as the case may be, irrevocable instructions and authority to pay the redemption price to the holders of such BUCS. See Form, Transfer, Exchange and Book-Entry Procedures. If such BUCS are no longer in book-entry form, the property trustee, to the extent funds are available, will irrevocably deposit with the paying agent, as described under Payment and Paying Agency below, funds sufficient to pay the applicable redemption price and will give the paying agent irrevocable instructions and authority to pay the redemption price to the holders thereof upon surrender of their certificates evidencing such BUCS. In the case of a redemption at the election of a holder following a Change of Control Triggering Event, such holder shall give the trust and News Corporation notice of such election within five business days prior to the redemption date set by News Corporation. Such redemption notice shall state in the case of BUCS in certificated form, the certificate numbers of the holder's BUCS to be delivered for redemption. Any such redemption notice may be withdrawn by a holder by a written notice of withdrawal delivered to the trust and News Corporation prior to the close of business on the third business day prior to the redemption date. The notice of withdrawal shall state:

the number of BUCS being withdrawn;

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in the case of BUCS in certificated form, the certificate numbers;

numbers of the BUCS being withdrawn; and

the number of the holder's BUCS, if any, that remains subject to the redemption notice.

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If a notice of redemption shall have been given by News Corporation and the trust, and, in the case of a redemption following a Change of Control Triggering Event, by the holders of BUCS, and funds deposited as required, then, upon the date of such deposit, immediately before the close of business on the date of such deposit, distributions will cease to accrue on the BUCS called for redemption, such BUCS shall no longer be deemed to be outstanding and all rights of the holders of such BUCS so called for redemption will cease, except the right of the holders of such BUCS to receive the redemption purchase price, but without interest on such redemption purchase price.

If payment of the redemption purchase price in respect of BUCS being redeemed is improperly withheld or refused and not paid either by the trust or by News Corporation pursuant to the BUCS guarantee as described under Description of the BUCS Guarantee, distributions on such BUCS will continue to accrue at the then applicable rate, from the redemption date originally established by the trust to the date such redemption purchase price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the redemption purchase price.

Subject to applicable law including, without limitation, U.S. federal securities law, News Corporation or its subsidiaries may at any time and from time to time purchase outstanding BUCS by tender, in the open market or by private agreement. Payment of the redemption purchase price on the BUCS and any distribution of debentures to holders of BUCS shall be made to the applicable record holders thereof as they appear on the register for such BUCS on the relevant record date, which shall be the fifteenth day (whether or not a business day) before the redemption date or liquidation date, as applicable.

If the trust redeems less than all of the trust securities on a redemption date, other than a redemption date relating to a redemption following a Change of Control Triggering Event, then the aggregate liquidation amount of such trust securities to be redeemed shall be allocated proportionately among the BUCS and the common securities. The property trustee shall select the particular BUCS to be redeemed not more than 45 days before the redemption date from the outstanding BUCS not previously called for redemption, by lot or by such method as the property trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions of the adjusted liquidation preference of the BUCS. The property trustee shall promptly notify the exchange agent in writing of the BUCS selected for redemption and, in the case of any BUCS selected for partial redemption, the adjusted liquidation preference thereof to be redeemed; it being understood that, in the case of BUCS held by DTC (or any successor) or its nominee, the distribution of the proceeds of such redemption will be made in accordance with the procedures of DTC or its nominee. For all purposes of the trust declaration, unless the context otherwise requires, all provisions relating to the redemption of BUCS shall relate, in the case of any BUCS redeemed or to be redeemed only in part, to the portion of the aggregate adjusted liquidation preference of BUCS that has been or is to be redeemed.

## **Changes to the Reference Shares**

As of the date of this prospectus, BSKyB is the reference company and one ordinary share of BSKyB represents one reference share. The reference company may change over the 20-year term of the debentures underlying the BUCS, or there may be one or more additional reference companies. A change in, or the addition of, a reference company will result in a change in, or the addition to, the reference shares attributable to the debentures and the BUCS. One reference share may, over time, consist of a basket of reference shares.

The initial reference shares attributable to each BUCS are 77.09 ordinary shares of BSKyB.

The reference shares attributable to each debenture and BUCS will be affected by the following events, in the manner described below:

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*Dividends and Distributions.* If a reference company makes a dividend or distribution on its reference shares consisting of additional reference shares of the same class, then the number of reference shares attributable to each debenture and BUCS will equal the sum of:

the number of reference shares attributable to each debenture and BUCS immediately prior to the dividend or distribution; and

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the number of additional reference shares that a holder of the number of reference shares attributable to each debenture and BUCS receives as a result of the dividend or distribution.

If a reference company makes a distribution on its reference shares consisting of publicly traded common equity securities of another class of that reference company or of another issuer, then the reference shares attributable to each debenture and BUCS will consist of the following:

the number of reference shares attributable to each debenture and BUCS immediately prior to the distribution; and

the number and type of new common equity securities that a holder of the number of reference shares attributable to each debenture and BUCS receives as a result of the distribution.

Any change in the reference shares attributable to a debenture and BUCS that results from a dividend or distribution by a reference company will be deemed to have occurred on the date the dividend or distribution is made by the reference company.

*Combinations, Subdivisions and Reclassifications.* If a reference company combines or subdivides its reference shares or issues by reclassification of its reference shares any shares of any other class of its publicly traded common equity securities (including any reclassification that is effected in connection with a merger in which the reference company is the continuing corporation), the reference shares will be adjusted so that the reference shares attributable to each debenture and BUCS will become the number and kind of reference shares that a holder of the reference shares attributable to each debenture and BUCS immediately prior to the combination, subdivision or reclassification owns immediately following that action.

Any change in the reference shares attributable to a debenture and BUCS that results from a combination, split or reclassification by a reference company will be deemed to have occurred immediately after the effective date of the combination, subdivision or reclassification.

*Mergers and Consolidations.* If a reference company merges, consolidates or enters into any similar arrangement with another company where the reference shares are exchanged for other publicly traded common equity securities, the reference shares will be adjusted so that the reference shares attributable to each debenture and BUCS will become the number and kind of publicly traded common equity securities that a holder of the number of reference shares attributable to each debenture and BUCS immediately prior to the merger, consolidation or other similar arrangement owns immediately following the merger, consolidation or other similar arrangement. To the extent the consideration received by the holders of reference shares in a merger, consolidation or other similar arrangement consists of cash or assets other than publicly traded common equity securities, the cash and assets so received will be treated as though they were part of an extraordinary distribution by the reference company or the successor reference company, and shall be the object of an additional distribution by News America. See *Additional Distributions* above.

If an election is offered to holders of reference shares as to the form of consideration they may receive in any merger, consolidation or other similar arrangement, such election shall be deemed a reference share offer and treated in the manner described under *Tender or Exchange Offer; Elections* below. Any change in the reference shares attributable to a debenture and BUCS that results from a merger, consolidation or other similar arrangement will be deemed to have occurred immediately after the effective date of the merger, consolidation or other similar arrangement.



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*Statutory Share Exchange.* If a reference company participates in a statutory share exchange with another company where the reference shares are exchanged for other publicly traded common equity securities, the reference shares will be adjusted so that the reference shares attributable to each debenture and BUCS will become the number and kind of publicly traded common equity securities that a holder of the number of reference shares attributable to each debenture and BUCS immediately prior to the share exchange owns immediately following the share exchange. To the extent the consideration received by the holders of reference shares in a share exchange consists of cash or assets other than publicly traded common equity securities, the cash and assets so exchanged will be treated as

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though they were part of an extraordinary distribution by the reference company or the successor reference company, and shall be the object of an additional distribution by News Corporation. See *Additional Distributions* above.

If an election is offered to holders of reference shares as to the form of consideration they may receive in any statutory exchange, such election shall be deemed a reference share offer and treated in the manner described under *Tender or Exchange Offer; Elections* below.

Any change in the reference shares attributable to a debenture and BUCS that results from a share exchange will be deemed to have occurred immediately after the effective date of the share exchange.

*Liquidation or Dissolution.* If a reference company liquidates or dissolves, the reference shares will be adjusted so that the reference shares attributable to each debenture and BUCS will become the number and kind of publicly traded common equity securities, if any, that a holder of the number of reference shares attributable to each debenture and BUCS immediately prior to the liquidation or dissolution owns immediately thereafter. To the extent the consideration received by the holders of reference shares in a liquidation or dissolution consists of cash or assets other than publicly traded common equity securities, the cash and assets so exchanged will be treated as though they were part of an extraordinary distribution by the reference company, and shall be the subject of an additional distribution by News Corporation. See *Additional Distributions* above.

Any change in the reference shares attributable to a debenture and BUCS that results from the liquidation or dissolution of a reference company will be deemed to have occurred immediately after the effective date of the liquidation or dissolution.

*Tender or Exchange Offer; Elections.* The reference shares will be adjusted in the event of any tender or exchange offer for 30% or more of the outstanding reference shares of any reference company. In the event of such a tender offer, or any consolidation, merger or statutory share exchange involving a reference company in which an election is given to holders of reference shares as to the consideration to be received in the transaction, a reference share offer shall be deemed to have been made.

If a reference share offer is made, we will make a reference share offer adjustment. This means the reference shares attributable to each debenture and BUCS will include, immediately after the closing of the reference share offer, the portion of the average transaction consideration that consists of publicly traded common equity securities. In addition, this means reducing the reference shares attributable to each debenture and BUCS immediately prior to the closing of such reference share offer by the reference share proportionate reduction.

The term *average transaction consideration* means, as to each reference share subject to the reference share offer, the quotient derived by dividing (1) the aggregate amount of consideration actually distributed or paid to all holders of reference shares that participated in the reference share offer, by (2) the total number of reference shares outstanding immediately prior to the closing of the reference share offer and entitled to participate in that reference share offer.

The term *reference share proportionate reduction* means a proportionate reduction in the number of reference shares attributable to each debenture that are the subject of the reference share offer, calculated in accordance with the following formula:

$$R = X/N$$

where:

- R = the fraction by which the number of reference shares that are the subject of the reference share offer and attributable to each debenture will be reduced.
- X = the aggregate number of such reference shares that are surrendered and accepted in the reference share offer.
- N = the aggregate number of reference shares, which are the subject of the reference share offer, outstanding immediately prior to the closing of the reference share offer.

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Any portion of the average transaction consideration that does not consist of publicly traded common equity securities will be treated as though it were part of an extraordinary distribution by the reference company, and shall be the object of an additional distribution by News America. See Additional Distributions above.

Any change in the reference shares attributable to a debenture and BUCS that results from a reference share offer will be deemed to have occurred immediately after the closing of the tender or exchange offer or the effective date of the merger, consolidation or statutory share exchange involving an election, as the case may be.

If following any merger, consolidation, liquidation, dissolution, exchange offer or tender offer no reference shares were to remain outstanding, the maturity of the debentures would not be accelerated and the debentures would continue to remain outstanding until the stated maturity date, unless the BUCS were earlier redeemed by us. At the stated maturity or upon redemption, holders of the BUCS would only be entitled to receive the adjusted principal amount of the debentures, plus any accrued but unpaid interest and any final period distribution.

## **Distribution of Debentures**

At any time, News Corporation has the right to dissolve the trust and, after satisfaction of the liabilities of creditors of the trust as provided by applicable law, cause the debentures to be distributed to the holders of the BUCS and common securities in liquidation of the trust. Circumstances under which News Corporation may determine to exercise such right could include:

the occurrence of a tax event (see Tax Event Redemption );

adverse tax consequences to News Corporation or the trust that are not within the definition of a tax event because they do not result from an amendment or change described in such definition; or

changes in the accounting requirements applicable to the BUCS.

Under current U.S. federal income tax law and interpretations and assuming, as expected, that the trust is treated as a grantor and not as an association taxable as a corporation for U.S. federal income tax purposes, a distribution of the debentures should not be a taxable event to the trust and holders of the BUCS. After the liquidation date fixed for any distribution of the debentures:

the BUCS will no longer be deemed to be outstanding;

DTC or its nominee, as the record holder of such BUCS, will receive a global certificate or certificates representing the debentures to be delivered upon such distribution; and

any certificates representing such BUCS not held by DTC or its nominee will be deemed to represent the debentures having an adjusted principal amount equal to the adjusted liquidation preference of such BUCS, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid distributions on such BUCS until such certificates are presented to the property trustee for transfer or reissuance.

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For a description of DTC and the terms of the depository arrangements, see Form, Transfer, Exchange and Book-Entry Procedures and Certain Book-Entry Procedures for Global Certificates below.

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### **Liquidation Distribution Upon Dissolution**

In the event of any voluntary or involuntary liquidation, termination, dissolution or winding up of the trust, any of which we refer to as a liquidation, the holders of the BUCS at that time will be entitled to receive out of the assets of the trust, after satisfaction of liabilities to creditors as provided by applicable law, distributions in an amount equal to the aggregate of the adjusted liquidation preference per BUCS plus accrued and unpaid distributions and any final period distribution thereon to the date of payment, unless, in connection with the liquidation, debentures in an aggregate principal amount equal to the aggregate stated liquidation amount of the trust securities and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid distributions on such trust securities have been distributed on a proportionate basis to the holders of trust securities in exchange for such trust securities. See [Distribution of Debentures](#).

If, upon any liquidation, the liquidation distribution can be paid only in part because the trust has insufficient assets available to pay it in full, then the trust will pay the amounts on a proportionate basis. The holder(s) of the common securities will be entitled to receive liquidation distributions upon any such liquidation on a proportionate basis with the holders of the BUCS, except that if an indenture event of default has occurred and is continuing, the BUCS shall have a priority over the common securities in those liquidation distributions. See [Subordination of Common Securities](#) below.

Pursuant to the trust declaration, the trust shall automatically dissolve upon expiration of its term on March 15, 2024, and shall also dissolve on the first to occur of:

certain events of bankruptcy, dissolution or liquidation of News America or News Corporation;

written direction by News Corporation, as depositor, to the property trustee to dissolve the trust (which direction is optional and wholly within the discretion of News Corporation, as the depositor) and, after satisfaction of liabilities to creditors of the trust as provided by applicable law, to distribute the debentures to the holders of the trust securities;

the redemption or exchange of all of the BUCS and common securities; and

the entry of a decree of judicial dissolution of the trust.

### **Subordination of Common Securities**

Payment of distributions on, and the redemption price of, the BUCS and common securities of the trust shall be made on a proportionate basis based on the liquidation amount of such trust securities; provided, however, that if on any distribution date or redemption date a trust declaration event of default, as described below, shall have occurred and be continuing:

no payment of any distribution on, or redemption purchase price of, any of the common securities of the trust, and no other payment on account of the redemption, liquidation or other acquisition of such common securities, shall be made unless payment in full in cash of all accumulated and unpaid distributions on all of the outstanding BUCS for all distribution periods ending on or before such distribution date or redemption date, or in the case of payment of the redemption purchase price the full amount of such redemption purchase price on all of the outstanding BUCS then called for redemption, shall have been made or provided for; and

all funds available to the property trustee shall first be applied to the payment in full in cash of all distributions on, or redemption purchase price of, the BUCS then due and payable.

In the case of any trust declaration event of default, News America, as holder of the common securities, will be deemed to have waived any right to act with respect to any such trust declaration event of default until all such trust declaration events of default with respect to the BUCS have been cured, waived or otherwise eliminated. Until all such trust declaration events of default with respect to the BUCS have been cured, waived or otherwise eliminated, the property trustee shall act solely on behalf of the holders of the BUCS and not on behalf of News America as holder of the common securities, and only the holders of the BUCS will have the right to direct the property trustee to act on their behalf.

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### **Trust Declaration Events of Default**

An event of default under the indenture, which we refer to as an indenture event of default, constitutes an event of default under the trust declaration with respect to the trust securities whatever the reason for such indenture event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body. Any event of default under the trust declaration is referred to in this prospectus as a trust declaration event of default.

Within ten days after the occurrence of any trust declaration event of default actually known to the property trustee, the property trustee shall transmit notice of such trust declaration event of default to the holders of the BUCS, the administrative trustees, and News Corporation, as depositor, unless such trust declaration event of default shall have been cured or waived. News Corporation, as depositor, and the administrative trustees, on behalf of the trust, are required to file annually with the property trustee a certificate as to whether or not they are in compliance with all the conditions and covenants applicable to them under the trust declaration. If a trust declaration event of default has occurred and is continuing, the BUCS shall have preference over the common securities upon termination of the trust as described above. See Subordination of Common Securities. The existence of a trust declaration event of default does not entitle the holders of BUCS to accelerate the mandatory redemption of the BUCS.

### **Enforcement of Certain Rights by Holders of BUCS**

If a trust declaration event of default has occurred and is continuing, then a holder of the BUCS will rely on the property trustee to enforce its rights as a holder of the debentures against News America and the guarantors. In addition, the holders of a majority in aggregate original liquidation preference of the BUCS will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee or to direct the exercise of any trust or power conferred upon the property trustee under the trust declaration, including the right to direct the property trustee to exercise the remedies available to it as a holder of the debentures. No holder of BUCS may institute any action directly against News America and the guarantors under the indenture unless:

such holder previously shall have given the property trustee written notice of default and continuance thereof;

the holders of not less than 25% of the aggregate adjusted liquidation preference of the BUCS then outstanding shall have requested the property trustee to institute such action and shall have offered the property trustee reasonable indemnification; and

the property trustee shall not have instituted such action within 90 days of such request.

Notwithstanding the foregoing, if a trust declaration event of default has occurred and is continuing and such event is attributable to the failure of News America and the guarantors to make any interest, principal, redemption, purchase price, change in control purchase price or other payment on the debentures on the date such amount is otherwise payable, then a holder of BUCS may sue News America and the guarantors directly to collect its proportionate share of payments owed, without first:

directing the property trustee to enforce the terms of the debentures;



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instituting a legal proceeding against News America and the guarantors to enforce the property trustee's rights under the debentures; or

instituting a legal proceeding against the property trustee or any other person or entity.

News America and the guarantors will be able to set off any payment made to a holder of BUCS against its obligation to make a corresponding payment of principal or interest, as the case may be, on the debentures.

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### **Merger or Consolidation of Trustees**

Any corporation into which the property trustee, the Delaware trustee or any administrative trustee that is not a natural person may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such trustee, shall be the successor of such trustee under the trust declaration, provided such corporation shall be otherwise qualified and eligible.

### **Expenses of the Trust**

Pursuant to the trust declaration, News America will pay all of the costs, expenses or liabilities of the trust, other than obligations of the trust to pay to the holders of any trust securities the amounts due such holders pursuant to the terms of the trust securities. Such costs, expenses and liabilities shall include any taxes to which the trust may become subject, whether as a result of a tax event or otherwise, other than withholding taxes.

### **Mergers, Consolidations, Amalgamations or Replacements of the Trust**

The trust may not merge with or into, consolidate, amalgamate, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described below.

The trust may, at the request of News America, with the consent of the administrative trustees and without the consent of the property trustee, the Delaware trustee or the holders of the BUCS, merge with or into, consolidate, amalgamate, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any State, provided that:

such successor entity either:

- (A) expressly assumes all of the obligations of the trust with respect to the trust securities or
- (B) substitutes for the BUCS other securities having substantially the same terms as the BUCS so long as the successor securities rank the same as the BUCS with respect to distributions and payments upon liquidation, redemption and otherwise;

News America expressly appoints a trustee of such successor entity possessing the same powers and duties as the property trustee as the holder of the debentures;

the merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the BUCS (including any successor securities) to be downgraded by any nationally recognized statistical rating organization;

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the merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the BUCS including any successor securities in any material respect; such successor entity has a purpose identical to that of the trust;

before the merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, News Corporation has received an opinion from independent counsel to the trust experienced in such matters to the effect that:

- (A) the merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the holders of the BUCS (including any successor securities) in any material respect (other than with respect to any dilution of the holders' interest in the new entity); and
- (B) following the merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the trust nor such successor entity will be required to register as an investment company under the Investment Company Act; and

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News America or any permitted successor or assignee owns all of the common securities of such successor entity and guarantees the obligations of such successor entity under the successor securities at least to the extent provided by the BUCS guarantee.

Notwithstanding the foregoing, the trust shall not, except with the consent of holders of 100% in aggregate liquidation amount of the trust securities, consolidate, amalgamate, merge with or into, be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the trust or the successor entity to be classified as other than a grantor trust for U.S. federal income tax purposes.

## **Registration Rights**

News Corporation, News America and the trust have entered into a registration rights agreement with the initial purchasers of the BUCS. Under the registration rights agreement, we agreed to:

file, on or before July 19, 2003, a shelf registration statement with the Commission on the appropriate form under the Securities Act to cover resales of the BUCS, the BUCS guarantee and sales of the debentures and guarantees thereon, which we refer to collectively as the registrable securities; and

use our reasonable best efforts to cause that registration statement to be declared effective on or before September 17, 2003.

News Corporation, News America and the trust have also agreed to use their reasonable best efforts to cause a shelf registration statement with respect to the resale of the BUCS and the BUCS guarantee, the debentures and the guarantees thereon to remain effective, subject to some exceptions, until the earlier of:

two years following the later of (i) the original issue date of the BUCS or (ii) the issue date of the BUCS issued on the exercise of the initial purchasers' option to purchase additional BUCS; and

the date on which all the registrable securities covered by that registration statement have been sold under that registration statement.

News Corporation also used its reasonable best efforts to cause BSKyB to register under the Securities Act on or before April 2, 2004 any securities of BSKyB that may be delivered upon exchange or redemption of the BUCS or debentures. News Corporation will also be required to use its reasonable best efforts to cause BSKyB to use its reasonable best efforts to cause the shelf registration statement to remain effective with respect to the BSKyB securities deliverable upon exchange or redemption of the BUCS and debentures.

News Corporation, News America and the trust cannot assure you that they will be able to keep effective a registration statement for the required periods.

Holders of BUCS will be required to deliver certain information to be used in connection with the shelf registration statement within the time periods indicated in the registration rights agreement in order to use the shelf registration statement for resales.

If (i) any registration statement is not filed with the Commission or declared effective under the Securities Act within the time periods set forth above, or (ii) any such registration statement ceases to be effective for at least 31 consecutive days or at least 91 days in a twelve-month period, News America and the trust will pay as liquidated damages with respect to the original liquidation preference of the BUCS an additional distribution rate of:

0.25% per year;

an additional 0.25% per year if such default continues for more than 90 days (beginning on the 91st day of such default);

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an additional 0.50% per year if such default continues for more than 180 days (beginning on the 181st day of such default); and

an additional 0.50% per year if such default continues for more than 270 days (beginning on the 271st day of such default).

provided, however, that at no time shall such amounts payable exceed 1.50% per year.

These liquidated damages will cease to accrue on the day such registration default is cured. Neither the trust nor News America shall be required to pay any such liquidated damages if the securities required to be registered become freely tradable under applicable securities laws other than pursuant to such registration statement. If, after the cure of all registration defaults then in effect, there is a subsequent registration default, the additional distribution rate for that subsequent registration default will initially be 0.25%. An amount equal to all accrued additional distributions will be payable to the holders entitled to those distributions, in the manner provided for the payment of distributions in the trust declaration.

This is a summary of some important provisions of the registration rights agreement. This summary is not complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement. You may request a copy of the registration rights agreement by contacting News Corporation as set forth in [Additional Information](#) below.

## **Voting Rights**

Except as provided below and under [Description of the BUCS Guarantee Amendments and Assignment](#) and as otherwise required by law and the trust declaration, the holders of the BUCS have no voting rights.

The holders of a majority in original aggregate liquidation preference of BUCS have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee and to direct the exercise of any trust or power conferred upon the property trustee under the trust declaration, including the right to direct the property trustee to exercise the remedies available to it as a holder of the debentures. So long as any debentures are held by the property trustee, the trustees shall not:

direct the time, method and place of conducting any proceeding for any remedy available to the indenture trustee or executing any trust or power conferred on the indenture trustee with respect to such debentures;

waive any past default that is waivable under the indenture;

exercise any right to rescind or annul a declaration that the principal of all the debentures shall be due and payable; or

consent to any amendment, modification or termination of the indenture or the debentures where such consent shall be required;

without, in each case, obtaining the prior approval of the holders of a majority in original aggregate liquidation preference of all outstanding BUCS, which consent, if no trust declaration event of default shall occur and be continuing, shall be of the holders of a majority in aggregate original liquidation preference of BUCS and common securities, voting together as a single class, except in the case of the last bullet point. If, in

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the case of the last bullet, the amendment or modification relates to the subordination of the debentures and adversely affects the rights of holders of debentures, the required level of consent shall be two-thirds in aggregate original liquidation preference of the BUCS then outstanding.

However, where a consent under the indenture would require the consent of each holder of debentures affected thereby, no such consent shall be given by the property trustee without the prior written consent of each holder of the BUCS. The trustees shall not revoke any action previously authorized or approved by a vote of the holders of the

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BUCS except by subsequent vote of the holders of the BUCS. The property trustee shall notify each holder of record of the BUCS of any notice of default with respect to the debentures.

A waiver of an indenture event of default will constitute a waiver of the corresponding trust declaration event of default.

Any required approval or direction of holders of BUCS may be given at a separate meeting of holders of BUCS convened for such purpose, at a meeting of all of the holders of the trust securities or pursuant to written consent. The property trustee will cause a notice of any meeting at which holders of BUCS are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each holder of record of BUCS in the manner set forth in the trust declaration. No vote or consent of the holders of BUCS is required for the trust to redeem and cancel the BUCS in accordance with the trust declaration.

Notwithstanding that holders of BUCS are entitled to vote or consent under any of the circumstances described above, any of the BUCS that are owned at such time by News Corporation, any affiliate of News Corporation, the trustees or any affiliate of any trustee shall, for purposes of such vote or consent, be treated as if such BUCS were not outstanding.

The procedures by which holders of BUCS may exercise their voting rights are described below. See Form, Transfer, Exchange and Book-Entry Procedures. Holders of the BUCS have no rights to appoint or remove the trustees, who may be appointed, removed or replaced solely by News Corporation, as the direct or indirect holder of all the common securities.

## **Amendment of the Trust Declaration**

News America and the trustees may amend the trust declaration from time to time, without the consent of the holders of the BUCS:

to cure any ambiguity or correct or supplement any provisions in the trust declaration that may be inconsistent with any other provision or to make any other provisions with respect to matters or questions arising under the trust declaration that are not inconsistent with the other provisions of the trust declaration, in each case so long as such amendment does not adversely affect in any material respect the interests of any holder of trust securities;

to modify, eliminate or add to any provision of the trust declaration to such extent as shall be necessary to ensure that the trust will be classified for U.S. federal income tax purposes as a grantor trust or to ensure that the trust will not be required to register as an investment company under the Investment Company Act; or

to maintain the qualification of the trust declaration under the Trust Indenture Act. Any amendments of the trust declaration shall become effective when notice thereof is given to the holders of the trust securities.

In addition, News America and the trustees may amend the trust declaration upon:



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the consent of holders representing not less than a majority (based upon original liquidation preferences) of the outstanding BUCS and common securities, acting as a single class, unless such amendment would adversely affect only the BUCS or only the common securities in which case only the affected class would be entitled to vote; and

receipt by the trustees of an opinion of counsel to the effect that such amendment or the exercise of any power granted to the trustees in accordance with such amendment will not affect the trust's status as a grantor trust for U.S. federal income tax purposes or the trust's exemption from the status of an investment company under the Investment Company Act;

provided, however, that News America and the trustees may not amend the trust declaration without the consent of each holder of trust securities if such amendment will change the amount or timing of any distribution on the trust securities or otherwise adversely affect the amount of any distribution required to be made in respect of the trust

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securities, or restrict the right of a holder of trust securities to institute suit for the enforcement of any such payment. If any proposed amendment of the trust declaration provides for, or the trustees otherwise propose to effect, the dissolution, winding-up or termination of the trust, other than pursuant to the terms of the trust declaration, then the holders of the then outstanding BUCS, as a class, are entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of the holders of the majority in aggregate liquidation preference of the BUCS.

## **Payment and Paying Agency**

The trust will make all payments in respect of the BUCS to DTC or its nominee, as the registered owner of the global certificates representing the BUCS. It is expected that DTC will then make payments to its participants by crediting the relevant accounts at DTC on the applicable distribution dates.

If the BUCS are not held by DTC, the paying agent shall make all payments in respect of the BUCS by check mailed to the address of the holder entitled thereto as such address shall appear on the security register (as such term is defined in the trust declaration). The paying agent shall initially be the property trustee and any co-paying agent chosen by the property trustee and acceptable to the administrative trustees and News Corporation. The paying agent shall be permitted to resign as paying agent upon 30 days written notice to the property trustee and News America. If the property trustee shall no longer be the paying agent, the administrative trustees shall appoint a successor (which shall be a bank or trust company acceptable to the administrative trustees and News Corporation) to act as paying agent.

## **Governing Law**

The trust declaration and the BUCS are governed by, and are to be construed in accordance with, the laws of the State of Delaware.

## **Form, Transfer, Exchange and Book-Entry Procedures**

The BUCS were issued in the form of certificates in registered, global form, which we refer to as the global certificate. Each global certificate was deposited upon issuance with the property trustee as custodian for DTC, in New York, New York and registered in the name Cede & Co., a nominee of DTC, in each case for credit to an account of a direct or indirect participant in DTC as described below. Transfers of beneficial interests in the global certificate are subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change from time to time.

Except as set forth below, the global certificate may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global certificate may not be exchanged for BUCS in certificated form except in the limited circumstances described below under Exchanges of Book-Entry Certificates for Certificated BUCS.

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a global certificate to such persons may be limited to that extent. Because DTC can act only on behalf of

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its participants, which in turn act on behalf of indirect participants and certain banks, the ability of a person having beneficial interests in a global certificate to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Investors who purchase BUCS in offshore transactions in reliance on Regulation S under the Securities Act may hold their interests in the global certificate directly through Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as Euroclear, and Clearstream Banking, société anonyme, which we refer to as Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the global certificate on behalf of their participants through their respective depositories, which in turn will hold such interests in the global certificate in the depositories' names on the books of DTC.

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Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the global certificate in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in the global certificate from a DTC participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and such credit or any interests in the global certificate settled during such processing day will be reported to the relevant Euroclear or Clearstream participant on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in the global certificate by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

## **Exchanges of Book-Entry Certificates for Certificated BUCS**

A beneficial interest in a global certificate may not be exchanged for a certificated BUCS unless:

DTC notifies the trust and News Corporation that it is unwilling or unable to continue as depository for the global certificate or has ceased to be a clearing agency registered under the Exchange Act and in either case the trust and News Corporation fail to appoint a successor depository within 90 days;

News Corporation, at its option, notifies the property trustee in writing that it elects to cause the issuance of the BUCS in certificated form; or

there shall have occurred and be continuing a trust declaration event of default and the holders of a majority in original liquidation preference of the outstanding BUCS determine that the global certificate will be exchangeable for certificated BUCS.

In all cases, certificated BUCS delivered in exchange for any global certificate or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures). In addition, such certificates will bear the legend referred to under "Notice to Investors" (unless News Corporation and the trust determine otherwise in accordance with applicable law) subject, with respect to such BUCS, to the provisions of such legend.

## **Certain Book-Entry Procedures for Global Certificates**

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The descriptions of the operations and procedures of DTC that follow are provided solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to changes by it from time to time. Neither the trust nor News Corporation takes responsibility for these operations and procedures, and they urge investors to contact DTC or its participants directly to discuss these matters.

DTC has advised the trust and News Corporation as follows: DTC is a limited-purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange

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Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (which we refer to as indirect participants).

DTC has advised the trust and News Corporation that its current practice, upon the issuance of the global certificate, is to credit, on its internal system, the respective principal amount of the individual beneficial interests represented by the global certificate to the accounts with DTC of the participants through which such interests are to be held. Ownership of beneficial interests in the global certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants, including the depositaries for Euroclear and Clearstream) and the records of participants and indirect participants (with respect to interests of persons other than participants).

As long as DTC, or its nominee, is the registered holder of a global certificate, DTC or such nominee, as the case may be, will be considered the sole owner and holder of the BUCS represented by such global certificate for all purposes under the trust declaration and the BUCS. Except in the limited circumstances described above, owners of beneficial interests in a global certificate will not be entitled to have any portions of such global certificate registered in their names, will not receive or be entitled to receive physical delivery of BUCS in definitive form and will not be considered the owners or holders of the global certificate (or any BUCS represented thereby) under the trust declaration or the BUCS.

Investors may hold their interests in the global certificate directly through DTC, if they are participants in such system, or indirectly through organizations that are participants in such system. Payments of distributions on the global certificates will be made to DTC or its nominee as the registered owner thereof. None of the trust, News Corporation, the property trustee nor any of their respective agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the global certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The trust and News Corporation expect that DTC or its nominee, upon receipt of any payment of distributions in respect of a global certificate representing any BUCS held by it or its nominee, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global certificate for such BUCS as shown on the records of DTC or its nominee. The trust and News Corporation also expect that payments by participants to owners of beneficial interests in such global certificate held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers registered in street name. Such payments will be the responsibility of such participants.

Interests in the global certificates will trade in DTC's settlement system and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its participants. Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised the trust and News Corporation that it will take any action permitted to be taken by a holder of certificates, including the presentation of BUCS for exchange as described below and the exchange of the BUCS, only at the direction of one or more participants to whose account with DTC interests in the global certificates are credited and only in respect of such portion of the aggregate liquidation preference of the BUCS as to which such participant or participants has or have given such direction.

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Although DTC has agreed to the foregoing procedures in order to facilitate transfers of beneficial ownership interests in the global certificate among participants of DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the trust, News Corporation, the property trustee nor any of their respective agents will have any responsibility for the performance by DTC, its participants or indirect participants of their respective obligations under the rules and procedures

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governing their operations, including maintaining, supervising or reviewing the records relating to, or payments made on account of, beneficial ownership interests in the global certificates.

Redemption notices shall be sent to DTC or its nominee as the registered holder of the BUCS. If less than all of the BUCS are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each participant to be redeemed.

Although voting with respect to the BUCS is limited to the holders of record of the BUCS, in those instances in which a vote is required, neither DTC nor its nominee will itself consent or vote with respect to BUCS. Under its usual procedures, DTC would mail an omnibus proxy to the property trustee as soon as possible after the record date. The omnibus proxy assigns DTC's or its nominee's consenting or voting rights to those participants to whose accounts such BUCS are credited on the record date and identified in a listing attached to the omnibus proxy.

Conveyance of notices and other communications by DTC to participants, by participants to indirect participants, and by participants and indirect participants to beneficial owners of the BUCS and the voting rights of participants, indirect participants and beneficial owners of BUCS will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. News Corporation, at its option, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository).

## **Transfer Agent, Registrar and Paying, Conversion and Exchange Agent**

The Bank of New York is the transfer agent, registrar and paying, and exchange agent for the BUCS. The address of The Bank of New York is 101 Barclay Street, New York, N.Y. 10286.

Registration of transfers or exchanges of BUCS will be effected by or on behalf of the trust without charge, but upon payment of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The trust is not required to register or cause to be registered the transfer of the BUCS during a period beginning 15 days before any selection of redemption of BUCS and ending on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of BUCS to be redeemed, or to register or cause to be registered the BUCS so selected for redemption after such BUCS have been called for redemption.

## **Information Concerning the Property Trustee**

The property trustee, other than during the occurrence and continuance of a trust declaration event of default, undertakes to perform only such duties as are specifically set forth in the trust declaration. During the occurrence and continuance of a trust declaration event of default, the property trustee undertakes to exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. However, the property trustee is under no obligation to exercise any of the powers vested in it by the trust declaration at the request of any holder of BUCS unless it is offered reasonable indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred thereby.



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If no trust declaration event of default has occurred and is continuing and the property trustee is required to decide between alternative causes of action, construe ambiguous provisions in the trust declaration or is unsure of the application of any provision of the trust declaration, and the matter is not one on which holders of BUCS are entitled under the trust declaration to vote, then the property trustee shall take such action as is directed by News Corporation and, if not so directed, shall take such action as it deems necessary and will have no liability except for its own bad faith, negligence or willful misconduct.

News Corporation and certain of its subsidiaries may maintain deposit accounts and banking relationships and conduct other banking and corporate securities transactions with the property trustee in the ordinary course of their businesses.

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**Miscellaneous**

The administrative trustees are authorized and directed to conduct the affairs of and to operate the trust in such a way that the trust will not be deemed to be an investment company required to be registered under the Investment Company Act or classified as an association taxable as a corporation for U.S. federal income tax purposes and so that the debentures will be treated as indebtedness of News Corporation for all U.S. federal, state and local tax purposes. In this connection, News Corporation and the administrative trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of the trust or the trust declaration, that News Corporation and the administrative trustees determine in their discretion to be necessary or desirable for such purposes, as long as such action does not materially adversely affect the interests of the holders of the BUCS.

Holders of the BUCS have no preemptive or similar rights.

The trust may not borrow money or issue debt or mortgage or pledge any of its assets.

**Agreement By Purchasers of Certain Tax Treatment**

Each purchaser of BUCS, by acceptance of a beneficial interest in the BUCS, agrees to treat the debentures as indebtedness for all United States federal, state and local tax purposes.

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**DESCRIPTION OF THE DEBENTURES**

The debentures have been issued pursuant to an indenture, dated as of March 21, 2003, among News Corporation, News America, the Guarantors and The Bank of New York, as Trustee, as amended by a First Supplemental Indenture, dated as of June 27, 2003 and a Second Supplemental Indenture dated November 12, 2004. This description summarizes the material terms and provisions of the debentures and the indenture and is subject to, and is qualified in its entirety by reference to, the indenture. Whenever particular defined terms of the indenture are referred to herein, such defined terms are incorporated by reference herein. Copies of the indenture and the form of debenture are available as set forth under "Description of the BUCS Additional Information" above.

As used in this Description of the Debentures, references to "News Corporation" do not include any current or future subsidiary of News Corporation.

**General**

The debentures are unsecured and are intended to rank equal in right of payment to all existing and future senior unsecured indebtedness of News America. The debentures are effectively subordinated to all secured indebtedness of News America. The debentures will mature on March 15, 2023. The debentures have been issued in the aggregate original principal amount of US\$1,672,677,000 such amount being the sum of the aggregate stated liquidation preference of the BUCS and capital contributed by News America to purchase the common securities. The indenture does not limit the incurrence or issuance of other indebtedness of News America, whether under the indenture relating to the debentures or any existing or other indenture that News America may enter into in the future or otherwise. Unless the trust is dissolved and the debentures distributed to holders of trust securities, the property trustee will continue to hold legal title to the debentures for the benefit of the holders of the BUCS and common securities.

**Interest**

The debentures bear interest at the annual rate of 0.75%, payable in arrears on March 15 and September 15 of each year, commencing on September 15, 2003, to the persons in whose name debentures are registered at the close of business on the immediately preceding March 1 and September 1, subject to certain exceptions. As long as the BUCS remain in book-entry form, the record date for the debentures shall be the corresponding record date for the BUCS. The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full month for which interest is computed, the amount of interest payable will be computed on the basis of the actual number of days elapsed in such month. If any date on which interest is payable on the debentures is not a business day, then payment of the interest payable on such date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay.

**Guarantees**

The debentures are unconditionally guaranteed by News Corporation and certain of its subsidiaries. See "The Subsidiary Guarantors." The guarantees are intended to rank equal in right of payment with News Corporation's and the other guarantors obligations under the Revolving Credit Agreement and their obligations under the various senior public debt instruments issued by News America, News Corporation or the other guarantors.

Upon (i) the sale or disposition (by merger or otherwise) of a subsidiary guarantor to an entity which is not a restricted subsidiary of News Corporation, or (ii)(A) the payment in full of the obligations under the Revolving Credit Agreement guaranteed by such subsidiary guarantor, to the extent that such subsidiary guarantor is a guarantor thereunder, and the termination of the commitments of the lenders under the Revolving Credit Agreement and (B) News Corporation directing that such subsidiary guarantor be released from the guarantee, or (iii)(A) the release of such subsidiary guarantor from its obligations under the Revolving Credit Agreement in accordance with the terms thereof and (B) News Corporation directing that such subsidiary guarantor be released from the guarantee,

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such subsidiary guarantor shall be deemed released from all obligations under the guarantee without any further action required on the part of the Trustee or any holder of debentures. Any subsidiary guarantor not so released remains liable for the full amount of principal of, and premium, if any, and interest on, the debentures, as provided in the guarantee. The trustee shall make available for delivery an appropriate instrument evidencing such release upon receipt of a request of News America accompanied by an officer's certificate certifying as to the compliance with the indenture and, in the event of the release of a subsidiary guarantor in accordance with the terms of (ii) above, an opinion of counsel.

## **Exchange of the Debentures**

The debentures are exchangeable into the exchange market value of the reference shares attributable to the debentures at the option of the holders of debentures at any time after April 2, 2004 but before the close of business on March 15, 2023 (or, in the case of debentures called for redemption, before the close of business on the business day before the redemption date). The reference shares initially consist of 77.09 BSKyB ordinary shares for each debenture. See Description of the BUCS Exchange Rights.

The trust has agreed not to exchange the debentures held by it except pursuant to a notice of exchange delivered to the exchange agent by a holder of the BUCS. Upon surrender of BUCS to the exchange agent for exchange, the trust will distribute debentures to the exchange agent on behalf of the holder of the BUCS so exchanged, whereupon the exchange agent will offer such debentures for exchange to the designated financial institution. If such designated financial institution elects not to exchange the debentures for reference shares, then News America shall exchange such debentures. See Description of the BUCS Exchange Rights. Any such exchange in accordance with the indenture will be deemed to discharge News America's obligations under the debentures, including the obligation of News America to pay the adjusted principal amount of the debentures so exchanged, and the accrued and unpaid interest thereon, including any final distribution, attributable to the period from the last date to which interest has been paid or duly provided for.

If a debenture is surrendered for exchange after the close of business on any regular record date for payment of interest and before the opening of business on the corresponding interest payment date, then, notwithstanding such exchange, the interest payable on such interest payment date will be paid in cash to the person in whose name the debenture is registered at the close of business on such record date, and, other than a debenture or a portion of a debenture called for redemption on a redemption date occurring after such record date and before such interest payment date, when so surrendered for exchange, the debenture must be accompanied by payment of an amount equal to the interest payable on such interest payment date.

## **Additional Distributions**

Holders of debentures are entitled to additional distributions as a result of distributions with respect to the reference shares to the same extent as the holders of the BUCS. See Description of the BUCS Additional Distributions.

## **Adjusted Principal Amount**

The original principal amount of the debentures will be adjusted to the same extent the liquidation preference of the BUCS will be adjusted. See Description of the BUCS Adjusted Liquidation Preference.

**Redemptions**

Except as a result of acceleration upon the occurrence of an indenture event of default, pursuant to a tax event or as a result of an obligation to pay additional amounts, News America may only redeem the debentures on the dates set forth under Description of the BUCS Redemption at Our Option above.

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In addition, holders of the debentures may require the redemption of their debentures on the dates and pursuant to those conditions set forth above under **Description of the BUCS Redemption at Your Option** above.

For so long as the trust is the holder of all the outstanding debentures, the proceeds of any such redemption will be used by the trust to redeem trust securities in accordance with their terms. News America may not redeem the debentures in part unless all accrued and unpaid interest and any final period distribution payment have been paid in full on all outstanding debentures.

News America has the right to redeem the debentures at any time upon the occurrence of a tax event at a redemption price equal to 100% of the adjusted principal amount of the debentures so redeemed and an amount equal to any accrued and unpaid interest and any final distribution payment at such times and in such manner as described above in **Description of the BUCS Tax Event Redemption**.

News America has the right to redeem the debentures under certain circumstances described under **Certain United States Federal Tax Considerations Additional Amounts** at a redemption price equal to 100% of the adjusted principal amount of the debentures to be redeemed plus an amount equal to any accrued and unpaid interest to the redemption date and any final period distribution. See **Description of the BUCS Redemption as a Result of an Obligation to Pay Additional Amounts** above.

## **Change of Control**

The change of control redemption rights of holders of debentures are substantially identical to the change of control redemption rights of holders of BUCS. See **Description of the BUCS Change in Control Permits Repurchase of BUCS at the Option of the Holder**.

The trust has agreed not to tender for redemption following a change of control triggering event the debentures held by it unless a holder of BUCS tenders BUCS for redemption following a change of control triggering event.

This right of holders is subject to News America and the guarantors' obligation to repay or repurchase any senior debt required in connection with a change of control triggering event and to any contractual restrictions then contained in News Corporation's senior debt. News America and the guarantors' future credit facilities and other existing or future indebtedness may contain similar restrictions. Future indebtedness that News America and the guarantors may incur may contain prohibitions on the occurrence of certain events that would constitute a change of control or require the repurchase of such indebtedness upon a change of control triggering event. Moreover, the exercise by holders of their right to require the trust to require News America to redeem the debentures could cause a default under such indebtedness, even if the change of control triggering event itself does not, due to the financial effect of such redemption on News America. If and when News America has satisfied these conditions, it will redeem all debentures tendered upon a change of control. News Corporation's ability to pay cash upon such a redemption may be limited by its then-existing financial resources. There can be no assurance that sufficient funds will be available to News America and the guarantors when necessary to make any required redemptions.

## **Redemption Procedures**

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Notices of any redemption of the debentures and the procedures for such redemption are the same as those described for the redemption of the BUCS under Description of the BUCS Redemption Procedures. Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of debentures to be redeemed at its registered address. Unless News America defaults in payment of the redemption purchase price, on and after the redemption date, interest will cease to accrue on such debentures or portions thereof called for redemption.

### **Payment And Paying Agents**

So long as the debentures are represented by a global security, News America shall make payments on the debentures to DTC, as the depository for the debentures. Otherwise, payment of principal of and premium, if any, and any interest on the debentures will be payable, the transfer of the debentures will be registrable, and the



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debentures will be exchangeable for debentures of other denominations of a like aggregate principal amount at the corporate office of the indenture trustee in The City of New York or at the office of such paying agent or paying agents as News America may designate, except that, at our option, payment of any interest may be made:

by check mailed to the address of the person entitled thereto as such address shall appear in the security register; or

by wire transfer to an account maintained by the person entitled thereto as specified in the security register, provided that proper transfer instructions have been received by the regular record date (as such term is defined in the indenture).

News America may at any time designate additional paying agents or rescind the designation of any paying agent.

Any monies deposited with the indenture trustee or any paying agent, or then held by News America in trust, for the payment of the principal of and premium, if any, or interest on any debentures and remaining unclaimed for two years after such principal and premium, if any, or interest has become due and payable shall, at the request of News America, be repaid to News America and the holder of such debentures shall thereafter look, as a general unsecured creditor, only to News America for payment thereof.

## **Registration Rights**

The holders of debentures have registration rights that are substantially identical to the registration rights of holders of the BUCS.

## **Indenture Events of Default**

Each of the following constitutes an event of default with respect to the debentures (whatever the reason for such event of default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

default in payment of the adjusted principal amount, redemption price, purchase price or change in control purchase price with respect to the debentures when such becomes due and payable;

the failure to pay interest within 30 days of the due date, including additional distributions;

failure by News America to deliver cash or reference shares to be delivered upon any exchange of any debentures, or to pay cash in lieu of fractional shares and continuance of such default for 10 business days;

the failure of News America or any guarantor to comply with any of its other agreements in the debentures, the indenture, or the guarantees for a period of 60 days after receipt of notice thereof without curing (or obtaining a waiver of) such default;

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an event of default on any other indebtedness for borrowed money of News Corporation or any of its restricted subsidiaries having an aggregate amount outstanding of US\$100,000,000 which has caused the holders thereof to declare such indebtedness, if it shall not already have matured, due and payable in advance of its scheduled maturity and such acceleration has not been rescinded or annulled or there shall not have been deposited in trust an amount sufficient to discharge such indebtedness;

the failure to pay at stated maturity, and the expiration of any grace period, any other indebtedness for borrowed money of News Corporation or any of its restricted subsidiaries in excess of US\$100 million;

certain events of bankruptcy, insolvency or reorganization affecting News Corporation; or

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final judgments for the payments of money which in the aggregate exceed US\$250 million shall be rendered against News Corporation or any restricted subsidiary by a court and shall remain unstayed or undischarged for a period of 60 days.

### **Acceleration**

If any indenture event of default with respect to the debentures, other than an event of default relating to specific events of bankruptcy, insolvency or reorganization affecting News Corporation, has happened and is continuing, either the indenture trustee or the holders of at least 25% in aggregate principal amount of the debentures then outstanding may declare by written notice the greater of (i) the adjusted principal amount of all the debentures, plus accrued and unpaid interest and distribution to the date of such declaration or (ii) the cash exchange market value of the reference shares to be immediately due and payable. In the case of certain events of bankruptcy, insolvency or reorganization, the principal of all the debentures plus interest on the debentures accrued and unpaid to the occurrence of such event shall automatically become and be immediately due and payable. At any time after a declaration of acceleration has been made, but before a judgment or decree for payment of money has been obtained by the indenture trustee, and subject to applicable law and certain other provisions of the indenture, the holders of a majority in aggregate principal amount of the debentures may, under certain circumstances, rescind and annul such acceleration. While the debentures are held by the trust, an indenture event of default will constitute a trust declaration event of default and the property trustee shall exercise rights as a holder of debentures under the indenture, subject to direction by the holders of the BUCS. See Description of the BUCS Enforcement of Certain Rights by Holders of BUCS and Description of the BUCS Voting Rights.

The indenture provides that, within 90 days after the occurrence of any event which is, or after notice or lapse of time or both would become, an event of default thereunder with respect to the debentures, the indenture trustee shall transmit, in the manner set forth in the indenture, notice of such default to the holders of the debentures unless such default has been cured or waived; provided, however, that except in the case of a default in the payment of principal of, or premium, if any, or interest, if any, on any debentures, the indenture trustee may withhold such notice if and so long as the board of directors, the executive committee or a trust committee of directors or responsible officers of the trustee in good faith determine that the withholding of such notice is in the best interest of the holders of debentures.

If an indenture event of default occurs and is continuing with respect to the debentures, the indenture trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of debentures by all appropriate judicial proceedings.

### **Modification of the Indenture**

*Modification Without Consent of Holders.* News America and News Corporation on behalf of the guarantors and the trustee may enter into supplemental indentures without the consent of the holders of the debentures to:

evidence the succession of another person to News America or any of the guarantors and the assumption by any such successor of the covenants of News America or such guarantor herein and in the debentures;

add to the covenants of News America or any of the guarantors for the benefit of the holders or to surrender any right or power herein conferred upon News America or any of the guarantors;

cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under the indenture which shall not be inconsistent with the

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provisions of the indenture; provided, that such action shall not adversely affect the interests of the holders of the debentures or, so long as any of the BUCS shall remain outstanding, the holders of the BUCS;

comply with the requirements of the Commission in order to effect or maintain the qualification of the indenture under the Trust Indenture Act; or

make provision for transfer procedures, certification, book-entry provisions, the form of restricted securities legends, if any, to be placed on securities, and all other matters required pursuant to the indenture or

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otherwise necessary, desirable or appropriate in connection with the issuance of debentures to holders of BUCS in the event of a distribution of securities by the trust if a tax event occurs and is continuing.

*Modification With Consent of Holders.* With the consent of the holders of not less than a majority in aggregate principal amount of the outstanding debentures, News America and News Corporation on behalf of the guarantors, when authorized by a board resolution, and the trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or of modifying in any manner the rights of the holders under the indenture; provided, however, that no such supplemental indenture shall, without the consent of the holder of each outstanding debenture affected thereby:

reduce the percentage of the original principal amount of debentures the holders of which must consent to any amendment or waiver under the indenture or reduce the requirements for quorum or voting;

reduce the rate of interest, including additional distributions, on the debentures or extend the time for payment of interest on any debenture;

extend the stated maturity of any debenture;

reduce the redemption price, purchase price or change in control purchase price of any debenture or extend the date on which the purchase price or change in control purchase price of any debenture is payable, or change the exchange rate or manner of effecting any adjustments thereof;

make any debenture payable in money or securities other than as stated in the debenture;

make any change reducing the percentage of holders required for certain actions;

make any change that adversely affects the right to exchange any debenture;

make any change that adversely affects the right to require News America to purchase the debentures in accordance with the terms thereof and the indenture on a purchase date or change in control purchase date;

impair the right to institute suit for the enforcement of any payment with respect to, or exchange of, the debentures; or

modify the provisions of the indenture relating to the guarantees in a manner adverse to the holders of the debentures.

**Covenants Restricting Mergers and Other Significant Corporate Actions**

*Merger, Consolidation, Sale or Conveyance.* The indenture provides that News Corporation will not merge or consolidate with any other person and will not sell or convey all or substantially all of its assets to any other person, unless either:

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News Corporation will be the continuing corporation; or

the successor corporation or person that acquires all or substantially all of News Corporation's assets will expressly assume all of its obligations under the indenture and the debentures issued under the indenture, and immediately after the merger, consolidation, sale, lease or conveyance, News Corporation, that person or that successor corporation, as applicable, will not be in default in the performance of the covenants and conditions of the indenture applicable to News Corporation, that person or that successor corporation, as applicable.

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### **Governing Law**

The indenture and the debentures are governed by, and are to be construed in accordance with, the laws of the State of New York.

### **Global Securities**

If distributed to holders of the BUCS in connection with the involuntary or voluntary dissolution, winding-up or liquidation of the trust, the debentures will be issued in the same form as the BUCS that such debentures replace. Any global certificate will be replaced by one or more global securities each of which we refer as a global security, registered in the name of DTC or its nominee. Except under the limited circumstances described below, the debentures represented by the global security will not be exchangeable for, and will not otherwise be issuable as, debentures in definitive form. The global security may not be transferred except by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or to a successor depository or its nominee. For a description of DTC and the specific terms of the depository arrangements, see Description of the BUCS Form, Transfer, Exchange and Book-Entry Procedures.

Except as provided below, owners of beneficial interests in a global security will not be entitled to receive physical delivery of debentures in definitive form and will not be considered the holders thereof for any purpose under the indenture. Accordingly, each beneficial owner of BUCS must rely on the procedures of DTC or if such person is not a participant, on the procedures of the participant through which such person owns its interest to exercise any rights of a holder under the indenture.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in such a global security.

None of News America, the guarantors, the indenture trustee, any paying agent or the security registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of the global security representing such debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A global security shall be exchangeable for debentures registered in the names of persons other than DTC or its nominee only if:

DTC notifies News America that it is unwilling or unable to continue as a depository for such global debenture or has ceased to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered to act as such depository and in either case News America fails to appoint a successor depository within 90 days;

News America in its sole discretion determines that such global security shall be so exchangeable; or

there shall have occurred and be continuing an indenture event of default and the holders of a majority in principal amount of the outstanding debentures determine that the global security will be so exchangeable.

Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for definitive certificates registered in such names as DTC shall direct. It is expected that such instructions will be based upon directions received by DTC from its participants with respect to ownership of beneficial interests in such global security. If debentures are issued in definitive form, such debentures will be in denominations of US\$1,000 and integral multiples thereof and may be transferred or exchanged at the offices described in **Payment and Paying Agents** above.

#### **Information Concerning the Indenture Trustee**

The Bank of New York is the initial indenture trustee. The address of The Bank of New York is 101 Barclay, New York, N.Y. 10286. The indenture trustee is under no obligation to exercise any of the powers vested in it by the indenture at the request of any holder of the debentures, unless offered reasonable indemnity satisfactory to it by such holder against the costs, expenses and liabilities which might be incurred thereby. The indenture trustee is not required to expend or risk its own funds or otherwise incur personal financial liability in the performance of its duties if the indenture trustee reasonably believes that repayment or adequate indemnity is not reasonably assured to it.



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**DESCRIPTION OF THE BUCS GUARANTEE**

The BUCS guarantee was executed and delivered by TNCL. On November 12, 2004, News Corporation, a Delaware corporation, and News Australia Holdings became additional guarantors. The Bank of New York will act as guarantee trustee under the BUCS guarantee. This description summarizes the material terms and provisions of the BUCS guarantee and is subject to, and qualified in its entirety by reference to, all of the provisions of the BUCS guarantee. Copies of the BUCS guarantee are available as set forth in Description of the BUCS Additional Information above. The guarantee trustee holds the BUCS guarantee for the benefit of the holders of the BUCS.

**General**

To the extent set forth in the BUCS guarantee, News Corporation has irrevocably and unconditionally agreed to pay in full to the holders of the BUCS, except to the extent paid by the trust, the payments listed below as and when due, regardless of any defense, right of set-off or counterclaim that the trust may have or assert other than the defense of payment:

any accrued and unpaid distributions required to be paid on the BUCS, to the extent that News America and the guarantors have made interest or principal payments to the trust on the debentures held by the trust;

the redemption purchase price with respect to any BUCS called or tendered for redemption (whether on redemption or maturity of the debentures) to the extent that News America and the guarantors have made interest or principal payments to the trust on the debentures held by the trust; or

upon a voluntary or involuntary dissolution, winding up or liquidation of the trust (unless the debentures are distributed to holders of the BUCS), the lesser of:

the liquidation preference plus accrued and unpaid distributions and any final period distribution required to be paid on the BUCS, to the extent that News America and the guarantors have made interest or principal payments on the debentures to the trust, and

the amount of assets of the trust remaining available for distribution to holders of the BUCS.

News Corporation's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by News Corporation to the holders of the BUCS or by causing the trust to pay such amounts to such holders.

The BUCS guarantee is an irrevocable guarantee of the trust's obligations under the BUCS, but applies only to the extent that News America and the guarantors have made principal or interest payments on the debentures to the trust. It is not in and of itself a guarantee that holders of the BUCS will collect amounts owed to them under the BUCS. If News America and the guarantors do not make interest payments on the debentures held by the trust, the trust will not be able to pay distributions on the BUCS and will not have funds legally available to pay such distributions.

News Corporation has, through the BUCS guarantee, the trust declaration, the debentures and the indenture, taken together, fully, irrevocably and unconditionally guaranteed all of the trust's obligations under the BUCS. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the trust's obligations under the BUCS. See Relationship of the BUCS, the Debentures and the BUCS Guarantee.

News Corporation has also agreed separately to irrevocably and unconditionally guarantee the obligations of the trust with respect to the common securities to the same extent as the BUCS guarantee, except that upon the occurrence and during the continuation of a trust declaration event of default, holders of BUCS shall have priority

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over holders of common securities with respect to distributions and payments on liquidation, redemption or otherwise.

### **Ranking of the BUCS Guarantee**

News Corporation's obligations under the BUCS guarantee are equal in right to payment to all other senior and unsecured indebtedness of News Corporation.

The BUCS guarantee constitutes a guarantee of payment and not of collection. That is, the guaranteed party may institute a legal proceeding directly against News Corporation to enforce its rights under the BUCS guarantee without first instituting a legal proceeding against any other person or entity.

### **Amendments and Assignment**

Except for any changes that do not adversely affect the rights of holders of the BUCS, in which case no vote will be required, the BUCS guarantee may not be amended without the prior approval of the holders of not less than a majority in aggregate liquidation preference of the outstanding BUCS. The manner of obtaining any such approval will be as set forth under Description of the BUCS Voting Rights. All guarantees and agreements contained in the BUCS guarantee shall bind the successors, assigns, receivers, trustees and representatives of News Corporation and shall inure to the benefit of the holders of the BUCS then outstanding.

### **Certain Covenants of News Corporation**

News Corporation has covenanted that, so long as any BUCS remain outstanding, it will not, and it will cause its subsidiaries not to:

- (1) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of News Corporation's capital stock; or
- (2) make any payment of principal of, interest or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees of indebtedness for money borrowed) of, News Corporation that rank equally with or junior to the debentures,

if at such time:

there shall have occurred an indenture event of default or a trust declaration event of default; or

News Corporation shall be in default with respect to its payment of any obligations under the BUCS guarantee.

Under the trust declaration and the indenture, taken together, News Corporation has also covenanted:

for so long as BUCS are outstanding, not to cause the trust to convert debentures except pursuant to a notice of conversion delivered to the exchange agent by a holder of BUCS;

to maintain directly or indirectly 100% ownership of the common securities, provided that certain successors which are permitted pursuant to the indenture may succeed to News Corporation's ownership of the common securities;

not to voluntarily terminate, wind-up or liquidate the trust, except:

(A) in connection with a distribution of the debentures to the holders of the BUCS in liquidation of the trust; or

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(B) in connection with certain mergers, consolidations or amalgamations permitted by the trust declaration;

to use its reasonable efforts, consistent with the terms and provisions of the trust declaration, to cause the trust to remain classified as a grantor trust and not as an association taxable as a corporation for U.S. federal income tax purposes;

to the extent that News America has elected to deliver ordinary shares of BSKyB upon an exchange of BUCS by the holders thereof, to cause the delivery of ordinary shares of BSKyB to such exchanging holders; and

to honor all obligations relating to the exchange of BUCS into or for BSKyB ordinary shares (or BSKyB ADRs) or debentures.

## **Events of Default; Enforcement of Certain Rights by Holders of BUCS**

An event of default under the BUCS guarantee will occur upon the failure of News Corporation to perform any of its payment or other obligations thereunder; provided, however, that, except with respect to a default in payment, News Corporation shall have received written notice of default and shall not have cured such default within 60 days after receiving such notice. The holders of a majority in aggregate liquidation preference of the BUCS have the right to:

direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee in respect of the BUCS guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under the BUCS guarantee; or

on behalf of the holders of all BUCS, waive any past event of default and its consequences.

Notwithstanding the foregoing, the right of any holder of BUCS to receive payment of the distribution in accordance with the BUCS guarantee, or to institute suit for the enforcement of any such payment, shall not be impaired without the consent of each such holder.

If the guarantee trustee fails to enforce the BUCS guarantee, any holder of the BUCS may institute a legal proceeding directly against News Corporation to enforce its rights under the BUCS guarantee without first instituting a legal proceeding against the trust, the guarantee trustee or any other person or entity. In addition, any record holder of BUCS shall have the right, which is absolute and unconditional, to proceed directly against News Corporation to obtain guarantee payments, without first waiting to determine if the guarantee trustee has enforced the BUCS guarantee or instituted a legal proceeding against the trust, the guarantee trustee or any other person or entity. News Corporation has waived any right or remedy to require that any action be brought just against the trust, or any other person or entity before proceeding directly against News Corporation.

## **Information Concerning the Guarantee Trustee**

The guarantee trustee, other than during the occurrence and continuance of a default by News Corporation in performance of the BUCS guarantee, undertakes to perform only such duties as are specifically set forth in the BUCS guarantee. During the occurrence and continuance of a default under the BUCS guarantee, the guarantee trustee must exercise the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

However, the guarantee trustee is under no obligation to exercise any of the powers vested in it by the BUCS guarantee at the request of any holder of BUCS unless it is offered reasonable indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred thereby.

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**Termination of the BUCS Guarantee**

The BUCS guarantee will terminate and be of no further force and effect:

upon full payment of the redemption purchase price of the BUCS;

upon full payment of the amounts payable upon liquidation of the trust;

upon exchange of all the BUCS into BSKyB ordinary shares, BSKyB ADRs or News Corporation Class A common shares; or

upon distribution of debentures to the holders of the BUCS in exchange for all of the BUCS.

The BUCS guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of BUCS must restore payment of any sums paid under such BUCS or the BUCS guarantee.

**Governing Law**

The BUCS guarantee is governed by, and is to be construed in accordance with, the laws of the State of New York.

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**RELATIONSHIP OF THE BUCS, THE DEBENTURES AND THE BUCS GUARANTEE**

**Full And Unconditional Guarantee**

Taken together, News Corporation's obligations under the debentures, the indenture, the trust declaration and the BUCS guarantee provide, in the aggregate, a full, irrevocable and unconditional guarantee of payments of distributions and all other amounts due on the BUCS. No single document standing alone or operating in conjunction with fewer than all of the other documents constitutes such a guarantee. It is only the combined operation of these documents that has the effect of providing a full, irrevocable and unconditional guarantee of the trust's obligations under the BUCS. If and to the extent that News America does not make payments on the debentures, the trust will not pay distributions or other amounts due on the BUCS. The BUCS guarantee covers payment of distributions only if and to the extent that News America or the guarantors has made a payment of interest, principal or other distributions on the debentures to the trust. If News America or the guarantors do not make payments on the debentures to the trust, a holder of BUCS may institute an action directly against News America and the guarantors to enforce payment of such distributions to such holder after the respective due dates.

**Sufficiency of Payments**

As long as payments of interest and other payments are made when due on the debentures, such payments will be sufficient to cover distributions and other payments due on the BUCS, primarily because:

the adjusted principal amount of the debentures is equal to the sum of the adjusted liquidation amount of the BUCS and common securities;

the interest rate and interest and other payment dates on the debentures match the distribution rate and distribution and other payment dates for the BUCS;

News Corporation shall pay for all and any costs, expenses and liabilities of the trust except the trust's obligations to holders of the BUCS under such BUCS; and

the trust declaration provides that the trust will not engage in any activity that is not consistent with the limited purpose of the trust.

Notwithstanding anything to the contrary in the indenture, News Corporation has the right to set-off any payment it is otherwise required to make thereunder with and to the extent News Corporation has theretofore made, or is concurrently on the date of such payment making, a payment under the BUCS guarantee.

**Enforcement Rights of Holders of BUCS**



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A holder of any BUCS may institute a legal proceeding directly against News Corporation to enforce its rights under the BUCS guarantee without first instituting a legal proceeding against the guarantee trustee, the trust or any other person or entity.

A holder may institute a direct action against News America and the guarantors to enforce its rights under the trust declaration only if a trust declaration event of default has occurred and is continuing and is attributable to the failure of News America and the guarantors to pay interest or principal on the debentures on the date such interest or principal is otherwise payable.

### **Limited Purpose of Trust**

The BUCS evidence a beneficial interest in the trust, and the trust was created for the sole purpose of issuing the BUCS and common securities and investing the proceeds thereof in the debentures. A principal difference between the rights of a holder of BUCS and a holder of debentures is that a holder of debentures is entitled to receive from News America the principal amount of and interest accrued on the debentures, while a holder of BUCS is entitled to receive distributions from the trust, including any amounts to be received upon redemption of the

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BUCS, or from News Corporation under the applicable guarantee, if and to the extent the trust has received payments of principal or interest on the debentures held by the trust.

**Rights Upon Dissolution**

Upon any voluntary or involuntary termination, winding-up or liquidation of the trust involving the liquidation of the debentures, the holders of the BUCS are entitled to receive, out of assets held by the trust after satisfaction of liabilities to creditors of the trust as provided by applicable law, the liquidation distribution in cash. See Description of the BUCS Liquidation Distribution Upon Dissolution. Since News Corporation is the guarantor under the BUCS guarantee and has agreed to pay for all costs, expenses and liabilities of the trust, other than the trust's obligations to the holders of the BUCS, the positions of a holder of such BUCS and a holder of such debentures relative to other creditors and to shareowners of News Corporation in the event of liquidation or bankruptcy of News Corporation would be substantially the same.

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**DESCRIPTION OF BSKYB ORDINARY SHARES**

**General**

The authorized share capital of BSKyB is £1,500,000,000, divided into 3,000,000,000 BSKyB ordinary shares of which 1,940,481,439 BSKyB ordinary shares were issued as of November 19, 2004. As of the same date, there remains an authorized but unissued share capital of £529,759,281, divided into 1,059,518,561 BSKyB ordinary shares.

The following is a description of the material rights of the BSKyB ordinary shares based on BSKyB's Articles of Association (the "BSkyB Articles"). This description does not purport to be complete and is qualified in its entirety by reference to the full BSKyB Articles, a copy of which has been filed as an exhibit to the Special Report on Form 6-K filed with the SEC on August 18, 2003.

Except where otherwise expressly stated, a reference in the BSKyB Articles to any statute or provision of a statute includes reference to any statutory amendment, modification or re-enactment of it for the time being in force.

**Voting Rights**

Subject to any terms as to voting upon which any shares may be issued and to the provisions of the BSKyB Articles on a show of hands, every member present (or, being a corporation, present by a duly appointed representative) shall have one vote and, on a poll, every member present in person or by proxy shall have one vote for each ordinary share held. No holder of an ordinary share shall be entitled to vote at a general meeting either personally or by proxy if (a) any call or other sum as is presently payable by him to BSKyB in respect of that share remains unpaid; (b) he or any other person who appears to be interested in that share has been duly served, pursuant to Section 212(1) of the United Kingdom Companies Act 1985 (as amended from time to time and including any statutory modification or reenactment thereof, the "Companies Act") or any other statutory provision concerning the disclosure of interests in voting shares, with a notice requiring the provision to BSKyB of information regarding that share and is in default in complying with such notice; or (c) he has been duly served with a notice pursuant to the BSKyB Articles for the purpose of determining, inter alia, whether the holder, or any other person who has an interest in such BSKyB ordinary shares, is a person who may be subject to the provisions of the BSKyB Articles referred to under "Restrictions on Shareholdings" below, requiring the disclosure of the identity of the beneficial owner of that share and is in default in complying with such notice. Voting at any general meeting is by a show of hands unless a poll is demanded. A poll may be demanded by (i) the chairman of the meeting, (ii) not less than five members present in person or by proxy and entitled to vote, (iii) any member or members representing in the aggregate not less than one-tenth of the total voting rights of all shareholders entitled to attend and vote at such meeting or (iv) any member or members present in person or by proxy and holding shares conferring a right to vote at the meeting on which there have been paid-up sums in the aggregate equal to not less than one-tenth of the total sum paid on all shares conferring such right. Since under English law voting rights are only conferred on registered holders of shares, a person holding through a nominee may not directly demand a poll.

Unless otherwise required by law or the BSKyB Articles, voting in a general meeting is by ordinary resolution. An ordinary resolution (e.g., a resolution for the election of directors, the approval of financial statements, the declaration of a final dividend, the appointment of auditors, the increase of authorized share capital or the grant of authority to allot shares) requires the affirmative vote of a majority of the members present in person in the case of a vote by a show of hands, or present in person or by proxy and holding shares conferring in the aggregate a majority of the votes actually cast on the ordinary resolution, in the case of a vote by poll. A special resolution (e.g., a resolution amending the BSKyB

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Memorandum of Association (the BSKyB Memorandum ) or BSKyB Articles, changing the name of BSKyB or waiving statutory pre-emption rights on the issue of new shares for cash) or an extraordinary resolution (e.g., modifying the rights of any class of shares at a meeting of the holders of such class or relating to certain matters concerning the liquidation of BSKyB) requires the affirmative vote of not less than three-fourths of the shareholders present in person, in the case of a vote by show of hands, or present in person or by proxy and holding shares conferring in the aggregate at least three-fourths of the votes actually cast on the resolution, in the case of a vote by poll. In the case of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting is entitled to cast a deciding vote. Meetings generally are convened upon 21 days notice

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(where a special or extraordinary resolution is being proposed) or 14 days notice (where an ordinary resolution is being proposed), in each case exclusive of both the day of dispatch of the notice and the day of the meeting.

## **Quorum**

The quorum at general meetings of BSkyB shall be two or more persons holding BSkyB ordinary shares who are present in person or by proxy.

## **Dividend Rights**

BSkyB may by ordinary resolution declare dividends to be paid to members of BSkyB according to their rights and priorities, but no dividend shall exceed the amount recommended by the Directors of BSkyB. If in the opinion of the Directors of BSkyB the profits of BSkyB justify such payments, the Directors of BSkyB may also from time to time pay interim dividends on the shares of such amounts and on such dates and in respect of such periods as they think fit. The profits of BSkyB available for distribution and resolved to be distributed shall be distributed among the holders of the shares and shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Companies Act and every other statute for the time being in force concerning companies and affecting BSkyB. Any dividend remaining unclaimed after a period of 12 years from the date of declaration of such dividend shall be forfeited and cease to remain owing by BSkyB. The Directors of BSkyB may, with the authority of an ordinary resolution, offer holders of BSkyB ordinary shares the right to elect to receive fully-paid BSkyB ordinary shares instead of cash in respect of the whole or any part as the Directors of BSkyB shall determine with respect to any dividend.

## **Distribution of Assets on a Winding-Up**

If BSkyB commences liquidation, the liquidator may, with the sanction of an extraordinary resolution of BSkyB and any other sanction required by the Companies Act and the Insolvency Act of 1986: (a) divide among the members in kind the whole or any part of the assets of BSkyB (whether they shall consist of property of the same kind or not) and for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out between the members, and (b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit; but no member shall be compelled to accept any share or other assets upon which there is any liability.

## **Pre-emptive Rights**

The BSkyB Articles do not contain any pre-emptive rights. The Companies Act confers on shareholders, to the extent not waived, rights of pre-emption in respect of the issuance of equity securities that are, or are to be, paid up wholly in cash. The term "equity securities" means: (a) shares of BSkyB other than shares which, with respect to dividends and capital carry a right to participate only up to a specified amount in a distribution and shares allotted pursuant to an employee share plan; and (b) rights to subscribe for, or to convert into, such shares. Pursuant to the Companies Act, these provisions have been disapplied by a special resolution of the members for a maximum period not exceeding five years although such disapplications generally, in the case of companies whose shares are listed on the London Stock Exchange, expire no longer than 15 months from the date of the resolution or, if earlier, on the date of the next annual general meeting of BSkyB. The BSkyB Board currently has authority to allot BSkyB shares for cash other than to existing shareholders pro-rata to their holdings, up to an aggregate nominal value of

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£48,500,000 representing approximately 5% of the nominal issued BSkyB ordinary share capital. The authority will expire on the date of the next Annual General Meeting of BSkyB, at which time it is expected that this authority will be renewed.

### **Disclosure of Interests**

Section 198 of the Companies Act provides that a person (including a company and other legal entities) that acquires any interest of 3% or more of any class of shares (including through ADRs) comprised in an English public company's relevant share capital (which, for these purposes, means the company's issued share capital carrying the right to vote in all circumstances at general meetings of the company) is required to notify the company in

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writing of its interest within two days following the day on which the obligation arises. After the 3% level is exceeded, similar notifications must be made where the interest falls below the 3% level or otherwise in respect of increases or decreases of 1% or more.

For purposes of the notification obligation, the interest of a person in shares means any kind of interest in shares including interests in any shares (a) in which a spouse, or child or stepchild under the age of 18, is interested, (b) in which a corporate body is interested and either (i) that corporate body or its directors generally act in accordance with that person's directions or instructions or (ii) that person controls one-third or more of the voting power of that corporate body, or (c) in which another party is interested and the person and that other party are parties to a concert party agreement under Section 204 of the Companies Act. A concert party agreement is one which provides for one or more parties to acquire interests in shares of a particular company and imposes obligations or restrictions on any of the parties as to the use, retention or disposal of such interests acquired pursuant to such agreement and any interest in the company's shares is in fact acquired by any of the parties pursuant to the agreement. Certain non-material interests may be disregarded for the purposes of calculating the 3% threshold, but the obligation of disclosure will still apply where such interests exceed 10% or more of any class of BSKyB's relevant share capital and to increases or decreases of 1% or more thereafter.

In addition, Section 212 of the Companies Act provides that a public company may by written notice require a person whom the company knows or has reasonable cause to believe to be, or to have been at any time during the three years immediately preceding the date on which the notice is issued, interested in shares consisting of the company's relevant share capital to confirm that fact or to indicate whether or not that is the case, and where such person holds or during the relevant time had held an interest in such shares, to give such further information as may be required relating to such interest and any other interest in the shares of which such person is aware.

Where notice is served by a company under the foregoing provisions on a person who is or was interested in shares of the company and that person fails to give the company any information required by the notice within the time specified in the notice, the company may apply to the English court for an order directing that the shares in question be subject to restrictions prohibiting, among other things, any transfer of those shares, the exercise of voting rights in respect of such shares, the taking up of rights in respect of such shares and, other than in liquidation, payments in respect of such shares.

A person who fails to fulfill the obligations imposed by Sections 198 and 212 of the Companies Act described above is subject to criminal penalties.

## **Transfer of BSKyB Ordinary Shares**

All transfers of shares in certificated form may be effected by a transfer in writing in any usual or common form or in any other form acceptable to the Directors of BSKyB. Any such instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee.

Where any class of shares is for the time being a participating security, title to shares of that class which are recorded as being held in uncertificated form, may be transferred by means of the relevant system concerned.

The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

The Directors of BSkyB may, in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of a share in certificated form which is not fully paid up; on which BSkyB has a lien (except in the circumstances specified in the BSkyB Articles) if a notice has been duly served in respect of that share pursuant to Section 212(1) of the Companies Act or any other statutory provision concerning the disclosure of interests in voting shares, the shares which are the subject to that notice represent in aggregate at least 0.25% of that class of share and the notice has not been complied with within 14 days; or which is in favor of more than four persons jointly.



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The Directors of BSkyB may also decline to recognize a transfer of shares in certificated form unless it is in respect of only one class of share and is deposited, duly stamped, at the place where the register of members of BSkyB is kept from time to time accompanied (save in the case of a transfer by a recognized clearing house or a nominee of a recognized clearing house or of a recognized investment exchange, unless and to the extent that certificates must by law have been issued in respect of the shares in question) by the relevant share certificates and such other evidence as the Directors of BSkyB may reasonably require to show the right of the transferor to make the transfer, and is in favor of not more than four transferees jointly.

The Directors of BSkyB may refuse to register any transfer of a share in certificated form if it is their opinion that such transfer would or might (a) prejudice the BSkyB group's right to hold, be awarded or granted or have renewed or extended, any license granted under the United Kingdom Broadcasting Act 1990 as amended and supplemented by the Broadcasting Acts 1996 (together the Broadcasting Acts) or (b) give rise to or cause a variation to be made to, or a revocation or determination of, any such license by the Independent Television Commission, or ITC.

The Directors of BSkyB may refuse to register the transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where BSkyB is entitled to refuse (or is excepted from the requirements) under the Uncertificated Securities Regulations 2001 to register the transfer; and they may refuse to register any such transfer in favor of more than four transferees.

## **Restrictions on Shareholdings**

If the Directors of BSkyB determine following registration of a transfer of shares:

(1) and following consultation with the ITC that, inter alia, by reason of the interest of a person in any shares of BSkyB transferred, the ITC may vary, revoke, determine or refuse to award, grant, renew or extend a license granted under the Broadcasting Acts; or

(2) that any person has an interest in the shares of BSkyB which, inter alia, makes BSkyB a disqualified person under the Broadcasting Acts or which contravenes or would cause a contravention of, the restrictions set out in Section 5 and/or Parts III, IV or V of Schedule 2 to the Broadcasting Act 1990 or any order, direction or notice made pursuant to the Broadcasting Acts or such other restrictions as may be applied by the ITC from time to time to disqualify certain persons or bodies from having interests in such a license and to restrict the accumulation of interests in relevant services as defined in Schedule 2 to the Broadcasting Act 1990.

The Directors of BSkyB shall be entitled to serve written notice (a Disposal Notice) on the relevant transferee in respect of the BSkyB ordinary shares transferred stating that they have so determined, specifying their grounds in general terms and calling for the disposal of such transferred shares as are specified in the Disposal Notice within 21 days of the date of such notice or such longer period as the Directors of BSkyB may consider reasonable and which they may extend. If the Disposal Notice is not complied with to the satisfaction of the Directors of BSkyB, they shall, so far as they are able, dispose of the relevant shares for the best price reasonably obtainable in all the circumstances. In addition, a member who has been served with a Disposal Notice shall not, with effect from the expiration of such period as the Directors of BSkyB shall specify in such notice (not being longer than 30 days from the date of service of the notice), be entitled to receive notice of, or to attend or vote at, any general meeting of BSkyB by reason of his holding the shares specified in the Disposal Notice.

## **Variation of Rights**

Whenever the share capital is divided into different classes of shares, subject to the Companies Act, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be modified, varied, extended, abrogated or surrendered either in such manner (if any) as may be provided by such rights or (in the absence of any such provision) with the written consent of the holders of at least three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such shares.

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### **Share Capital and Changes in Capital**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any shares in the capital of BSKyB for the time being may be allotted with such special rights, privileges or restrictions as BSKyB in general meeting may (before the allotment of such shares) from time to time determine.

BSKyB may from time to time in general meeting increase its capital by the creation of new shares, consolidate all or any of its share capital into shares of larger amount than its existing shares; by sub-division of its existing shares or any of them, divide its capital, or any part thereof, into shares of smaller amount, and reduce its share capital, any capital redemption reserve and any share premium account.

BSKyB may from time to time purchase its own shares (including any redeemable shares), subject to the provisions of the Companies Act.

At the Annual General Meeting of BSKyB held on November 12, 2004, BSKyB shareholders approved a special resolution that allows BSKyB to buy back up to 97,000,000 ordinary shares in the market, which was approximately 5% of the issued ordinary share capital of BSKyB at October 1, 2004. The authority expires on the date which is 12 months from the date of the passing of the special resolution. Any buy back will be by market purchases through the London Stock Exchange. Any shares so purchased will be cancelled. The effect of cancelling shares would be to reduce the number of shares in issue.

### **Non-U.K. Shareholders**

Except as described above, there are no limitations in the BSKyB Articles on the right of non-U.K. citizens or residents to hold, or exercise voting rights attaching to, the BSKyB ordinary shares.

### **Transfer Agent and Registrar**

The Transfer Agent and Registrar for the BSKyB ordinary shares is Lloyds TSB Bank plc.

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**DESCRIPTION OF BSKYB ADSs**

The following is a summary of the material provisions of the Deposit Agreement dated as of December 9, 2002, among BSKyB, The Bank of New York as depositary (the Depositary), and the holders from time to time of BSKyB ADSs (the Deposit Agreement). Such summary does not purport to be complete and is qualified in its entirety by reference to the Deposit Agreement, copies of which are available for inspection at the Corporate Trust Office of the Depositary, located at the address set forth below.

BSkyB ADRs evidencing BSKyB ADSs are issuable by the Depositary pursuant to the Deposit Agreement. Each BSKyB ADR evidences a specified number of BSKyB ADSs, each such BSKyB ADS currently representing four BSKyB ordinary shares, deposited with the Depositary's affiliate located in London, England (the Custodian) or its successors or any other firms or corporations appointed as custodians by the Depositary. A BSKyB ADR may represent any number of BSKyB ADSs.

**Deposit and Withdrawal of BSKyB Ordinary Shares**

The Depositary has agreed that upon deposit with the Custodian of BSKyB ordinary shares or evidence of rights to receive BSKyB ordinary shares endorsed or accompanied by any appropriate instruments of transfer, together with such certifications and payments as may be required by the Custodian or the Depositary, and in accordance with the provisions of the Depositary Agreement, it shall execute and deliver at its Corporate Trust Office, presently located at 101 Barclay Street, New York, New York 10286 (the Principal Office), to, or upon the written order of, the person or persons specified by the depositor, a BSKyB ADR or BSKyB ADRs for the number of BSKyB ADSs issuable in respect of such deposit.

A BSKyB ADR holder is entitled to withdraw the underlying BSKyB ordinary shares at any time, and such right may not be restricted in any manner, subject only to (i) temporary delays caused by closing transfer books of the Depositary or BSKyB or the deposit of BSKyB ordinary shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to BSKyB ADRs or to the withdrawal of deposited securities. Upon surrender of BSKyB ADRs at the Principal Office, upon payment of the fees and charges provided in the Deposit Agreement, and subject to the terms of the Deposit Agreement, BSKyB ADR holders are entitled to delivery, at the Principal Office or at the office of the Custodian in London, England, of BSKyB ordinary shares and any other documents of title at the time represented by the surrendered BSKyB ADRs. The forwarding of share certificates and other documents of title for such delivery at the Principal Office will be at the risk and expense of the BSKyB ADR holder.

The Depositary may issue BSKyB ADRs against rights to receive BSKyB ordinary shares from BSKyB or any agent of BSKyB or any other entity involved in ownership or transaction records in respect of the BSKyB ordinary shares. The Depositary will not issue BSKyB ADRs against any other rights to receive BSKyB ordinary shares unless (i) such BSKyB ADRs are fully collateralized (marked to market daily) with cash or U.S. government securities, or other collateral of comparable safety and liquidity, (ii) the applicant for such BSKyB ADRs represents in writing that it, or its customer, owns such BSKyB ordinary shares or BSKyB ADRs before the issuance of such BSKyB ADRs or such evidence of ownership of BSKyB ordinary shares or BSKyB ADRs as the Depositary deems appropriate and will hold them in trust for the Depositary until delivery upon the Depositary's request, and (iii) such issuance shall be terminable by the Depositary on not more than five business days' notice and subject to such further indemnities and credit regulations as the Depositary deems appropriate. Additionally, the Depositary intends that the number of BSKyB ADRs issued and outstanding at any one time generally will not exceed 20% of the BSKyB ADSs issued by the Depositary with respect to which BSKyB ordinary shares are on deposit with the Depositary or Custodian (provided, however, the Depositary reserves the right to change or disregard such limit from time to time as it deems appropriate) and will set limits with respect to the number of BSKyB ADRs and BSKyB ordinary shares involved in transactions under these provisions on a case-by-case basis. Neither the Depositary nor the Custodian may deliver BSKyB ordinary shares, except in accordance with the Deposit Agreement.



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**Table of Contents****Voting Deposited Securities**

Upon receipt of any notice of any meeting or solicitation of consents or proxies of holders of BSKyB ordinary shares or other deposited securities, the Depositary shall, as soon as practicable, fix a record date for determining the BSKyB ADR holders entitled to give instructions for the exercise of voting rights or the grant of proxies or consents, as provided in the Deposit Agreement, and after receipt from BSKyB of notice of such meeting and if requested by BSKyB, mail to such holders a notice containing (i) such information as is contained in such notice of meeting and the solicitation materials, if any, (ii) a statement that such holders at the close of business on a specified record date will be entitled, subject to any applicable provisions of law and of the BSKyB Memorandum and BSKyB Articles to instruct the Depositary as to the exercise of the voting rights pertaining to the BSKyB ordinary shares and other deposited securities represented thereby and (iii) a statement as to the manner in which such instructions may be given, or deemed given, to the Depositary to give a discretionary proxy to a person designated by BSKyB. Upon the written request of a BSKyB ADR holder on such record date, received on or before the date established by the Depositary for such purpose, the Depositary shall endeavor, insofar as practicable, to vote or cause to be voted the amount of BSKyB ordinary shares or other deposited securities represented by such BSKyB ADSs, in accordance with the instructions set forth in such request. The Depositary will not itself exercise any voting discretion over any BSKyB ADSs or other deposited securities evidenced by a BSKyB ADR, other than in accordance with instructions received from the holder.

**Dividends, Other Distributions and Rights**

Whenever the Depositary receives any cash dividend or other cash distribution on the deposited securities, the Depositary or the Custodian will, subject to the provisions of the Deposit Agreement, convert on a reasonable basis such dividend or distribution into U.S. dollars and distribute without unreasonable delay such amount to the record holders of BSKyB ADRs entitled thereto in proportion to the number of BSKyB ADSs representing such deposited securities held by them, respectively; provided, however, that the amount distributed will be reduced by any amounts required to be withheld by BSKyB, the Custodian or the Depositary on account of taxes. If the Depositary shall determine that non-U.S. dollar amounts may not be converted on a reasonable basis into the U.S. dollars transferable to the United States, or if any approval or license of any government or agency thereof, which is required for such conversion, is denied or, in the opinion of the Depositary, is unobtainable, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the non-U.S. dollar currency (or an appropriate document or notice evidencing their rights to receive such currency) received by the Depositary to the then BSKyB ADR holders entitled thereto or hold such non-U.S. dollar currency for the respective accounts of such persons, without liability for interest. If any distribution consists of a dividend in, or free distribution of, BSKyB ordinary shares, the Depositary may in its discretion, upon prior consultation with and the approval of BSKyB, and will if BSKyB requests, distribute to the BSKyB ADR holders entitled thereto additional BSKyB ADRs representing the aggregate number of BSKyB ordinary shares received as such dividend or free distribution subject to the terms of the Deposit Agreement.

Whenever the Depositary or a Custodian receives any distribution other than cash or BSKyB ordinary shares or rights upon any deposited securities, the Depositary will, upon consultation with BSKyB, distribute without unreasonable delay to the BSKyB ADR holders entitled thereto such securities or property in any manner that the Depositary, after consultation with BSKyB, may deem equitable and practicable for accomplishing such distribution. If, in the opinion of the Depositary, such distribution cannot be made to the BSKyB ADR holders entitled thereto or if for any other reason (including, without limitation any requirement (i) that BSKyB or the Depositary withhold an amount on account of taxes or other governmental charges, or (ii) that such securities must be registered under the Securities Act or other law in order to be distributed to BSKyB ADR holders) the Depositary, deems such distribution not to be feasible, the Depositary may adopt such method as it deems equitable and practicable for the purpose of effecting such distribution, including the sale (at public or private sale) of the securities or property thus received, or any part thereof. The net proceeds of any such sale will be distributed by the Depositary to the BSKyB ADR holders entitled thereto as in the case of a distribution received in cash. In the case of a distribution of BSKyB ordinary shares, in lieu of delivering BSKyB ADRs for fractional BSKyB ADSs in any such case, the Depositary may sell the number of BSKyB ordinary shares represented by the aggregate of such fractions at public or private sale, at such place or places and upon such terms as it may deem proper, and distribute the net proceeds of any such sale, all in the manner and subject to the conditions described in the Deposit Agreement.

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In the event that BSkyB shall offer or cause to be offered to the holders of any deposited securities any rights to subscribe for additional BSkyB ordinary shares or any rights of any other nature, the Depositary, after

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consultation with BSKyB, shall have discretion as to the procedure to be followed in making such rights available to any BSKyB ADR holders or in disposing of such rights on behalf of any BSKyB ADR holders and making the net proceeds available to such BSKyB ADR holders or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any BSKyB ADR holders or dispose of such rights and make the net proceeds available to such BSKyB ADR holders, then the Depositary should allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its discretion that it is lawful and feasible to make such rights available to all or certain BSKyB ADR holders but not to other BSKyB ADR holders, the Depositary may distribute to any BSKyB ADR holder to whom it determines the distribution to be lawful and feasible, in proportion to the number of BSKyB ADSs held by such BSKyB ADR holder, warrants or other instruments therefor in such form as it deems appropriate.

After consultation with BSKyB, if the Depositary has distributed warrants or other instruments for rights to all or certain BSKyB ADR holders, then upon instruction from such a BSKyB ADR holder to exercise such rights, upon payment by such BSKyB ADR holder to the Depositary for the account of such BSKyB ADR holder of an amount equal to the purchase price of the BSKyB ordinary shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other applicable charges, the Depositary shall, on behalf of such BSKyB ADR holder, exercise the rights and purchase the BSKyB ordinary shares, and BSKyB shall cause the BSKyB ordinary shares so purchased to be delivered to the Depositary on behalf of such BSKyB ADR holder for deposit and shall execute and deliver BSKyB ADRs to such BSKyB ADR holder with appropriate legends regarding restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary determines in its reasonable discretion that it is not lawful and feasible to make such rights available to all or certain BSKyB ADR holders, it may sell the rights, warrants or other instruments in proportion to the number of BSKyB ADSs held by the BSKyB ADR holders to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of the Deposit Agreement) for the account of such BSKyB ADR holders otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such BSKyB ADR holders because of exchange restrictions or the date of delivery of any BSKyB ADR or otherwise.

The Depositary will not offer rights to BSKyB ADR holders unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to all BSKyB ADR holders or are registered under the provisions of such Act. The Deposit Agreement does not create any obligation on the part of BSKyB to file a registration statement with respect to such rights or underlying securities. If a BSKyB ADR holder requests the distribution of warrants or other instruments, notwithstanding that there has been no such registration under such Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for BSKyB upon which the Depositary may rely that such distribution to such BSKyB ADR holder is exempt from such registration.

## **Record Dates**

Whenever the Depositary receives notice of the fixing of a record date by BSKyB for the determination of holders of BSKyB ordinary shares or other deposited securities entitled to receive any cash dividend or other cash distribution or any distribution other than cash, or any rights to be issued with respect to BSKyB ordinary shares or other deposited securities, or whenever the Depositary receives notice of any meeting of holders of BSKyB ordinary shares or other deposited securities or upon such other circumstances as are specified in the Deposit Agreement, the Depositary will fix a record date (which, where applicable, will be as close as practicable to the date corresponding to the record date fixed by BSKyB in respect of the BSKyB ordinary shares) for the determination of the BSKyB ADR holders who shall be entitled to receive such dividend, distribution or rights, or the net proceeds of the sale thereof, or to give instructions for the exercise of voting rights at any such meeting or to take such other action. Subject to the provisions of the Deposit Agreement, the record BSKyB ADR holders on such record date will be entitled to receive the amount distributable by the Depositary with respect to such dividend or distribution or rights or the net proceeds of the sale thereof or to give voting instructions for the exercise of such voting rights.





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### **Transfer of BSKyB ADRs**

The BSKyB ADRs are transferable on the books of the Depositary in accordance with the provisions of the Deposit Agreement. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any BSKyB ADR, the Depositary, Custodian or registrar may require (a) payment of a sum sufficient for reimbursement of any tax or other governmental charge and any stock transfer registration fee with respect thereto and payment of any applicable fees as provided in the Deposit Agreement, (b) the production of proof satisfactory to it as to the identity and genuineness of any signature and (c) compliance with any laws or governmental regulations, as the Depositary may establish consistent with the provisions of the Deposit Agreement. The delivery of BSKyB ADRs against deposits of BSKyB ordinary shares generally or against deposits of particular BSKyB ordinary shares may be suspended or the delivery of BSKyB ADRs against the deposit of particular BSKyB ordinary shares may be refused, or the registration of transfer of BSKyB ADRs in particular instances may be refused or the transfer generally may be suspended during any period when the transfer books are closed, or if any such action is deemed necessary or advisable by the Depositary or BSKyB at any time or from time to time because of any requirement of law or of any government or governmental body, authority or commission or under any provision of the Deposit Agreement, or the provisions of or governing deposited securities, or any meeting of shareholders of BSKyB, or for any other reason in accordance with the Deposit Agreement.

### **Filing Proofs, Certificates and Other Information**

Any person presenting BSKyB ordinary shares for deposit or any BSKyB ADR holder may be required from time to time to file such proof of citizenship or residence, exchange control approval or any other matters necessary or appropriate relating to the registration on, the books of BSKyB (or its appointed agent for transfer and registration of BSKyB ordinary shares), to execute such certificates and to make such representations and warranties as the Depositary or BSKyB may deem necessary or proper. The Depositary may, and will if requested by BSKyB, withhold the delivery or registration of transfer of any BSKyB ADR or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any such deposited securities until such proof or other information is filed or such certificates are executed or such representations and warranties are made. In addition, each BSKyB ADR holder agrees to provide such information as BSKyB may request in a disclosure notice (a Disclosure Notice ) given pursuant to the Companies Act or the BSKyB Memorandum and BSKyB Articles. Each BSKyB ADR holder acknowledges that it understands that failure to provide on a timely basis the information required in any Disclosure Notice may result in the imposition of sanctions against the holder of the BSKyB ordinary shares represented by BSKyB ADSs in respect of which the non-complying person is or was, or appears to be, or have been, interested as provided in the Companies Act and the BSKyB Memorandum and BSKyB Articles which currently include, without limitation, the withdrawal of the voting rights of such BSKyB ordinary shares and the imposition of restrictions on the rights to receive dividends on and to transfer such BSKyB ordinary shares. In addition, each BSKyB ADR holder agrees to comply with the provisions of the Companies Act with regard to notification to BSKyB of interests in BSKyB ordinary shares, which currently provide, inter alia, that any BSKyB ADR holder who is or becomes directly or indirectly interested (within the meaning of the Companies Act) in three percent (3%) or more of the outstanding BSKyB ordinary shares, or is aware that another person for whom it holds such BSKyB ADRs is so interested, must within two business days after becoming so interested or so aware (and thereafter in certain circumstances upon any changes of at least 1% in the percentage interest in the outstanding BSKyB ordinary shares) notify BSKyB as required by the Companies Act.

### **Amendment and Termination of the Deposit Agreement**

The form of the BSKyB ADRs and any provisions of the Deposit Agreement may at any time be amended between BSKyB and the Depositary. Any amendment imposing or increasing any fees or charges payable by BSKyB ADR holders (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudicing any substantial existing right of BSKyB ADR holders, shall not take effect as to outstanding BSKyB ADRs until the expiration of 30 days after notice of such amendment has been given to the record holders of outstanding BSKyB ADRs. Every BSKyB ADR holder at the time such amendment so becomes effective shall be deemed, by continuing to hold such BSKyB ADR, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event may any amendment impair the right of any BSKyB ADR holder to surrender his BSKyB ADR and receive the deposited securities represented thereby except to comply with mandatory provisions of applicable law as permitted under

the Deposit Agreement.

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The Depositary will, at BSKyB's direction, terminate the Deposit Agreement by mailing notice of such termination to the record BSKyB ADR holders then outstanding at least 60 days prior to the date fixed in such notice for such termination. The Depositary may likewise terminate the Deposit Agreement if, at any time, 60 days have expired after the Depositary shall have delivered to BSKyB a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment within such 60 days. If any BSKyB ADRs shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfer of BSKyB ADRs, shall suspend the distribution of dividends to the holders thereof and shall not give further notices or perform any further acts under the Deposit Agreement, except the collection of dividends and other distributions pertaining to the deposited securities, the sale of rights as provided in the Deposit Agreement and the delivery of the deposited securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for surrendered BSKyB ADRs. At any time after the expiration of one year from the date of termination, the Depositary may sell the deposited securities then held and may thereafter hold uninvested the net proceeds of such sale, together with any cash then held by it under the Deposit Agreement, unsegregated and without liability for interest, for the pro rata benefit of the BSKyB ADR holders which have not theretofore been surrendered.

## **Notices and Reports**

On or before the date of giving by BSKyB of notice to its shareholders, by publication or otherwise, of any meeting of holders of BSKyB ordinary shares or other deposited securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights in respect of the deposited securities, BSKyB agrees to transmit to the Depositary and the Custodian a copy of the notice thereof in the form given or to be given to holders of BSKyB ordinary shares or other deposited securities. BSKyB will arrange for the prompt transmittal to the Depositary and the custodian of such notices and any other reports and communications which are made generally available by BSKyB to holders of its BSKyB ordinary shares, and the Depositary will, at BSKyB's expense, arrange for the mailing of copies thereof to all BSKyB ADR holders.

The Depositary will make available for inspection by BSKyB ADR holders at its Principal Office, any reports and communications received from BSKyB which are both (i) received by the Depositary as the holder of the deposited securities, and (ii) made generally available to the holders of such deposited securities by BSKyB. The Depositary will furnish such communications and reports to BSKyB ADR holders upon request of such holders.

## **Inspection of Transfer Books**

The Depositary shall keep books at its Principal Office for the registration and transfer of BSKyB ADRs which at all reasonable times shall be open for inspection by the BSKyB ADR holders and BSKyB; provided that such inspection shall not be for the purpose of communicating with BSKyB ADR holders in the interest of a business or object other than the business of BSKyB or a matter related to the Deposit Agreement or BSKyB ADRs. The Depositary may close the books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties under the Deposit Agreement.

## **Charges of Depositary**

Except as otherwise provided in the Deposit Agreement, BSKyB shall pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any registrar in accordance with agreements entered into between the Depositary and BSKyB from time to time.

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The following charges shall be incurred by any party depositing or withdrawing BSkyB ordinary shares or by any party surrendering BSkyB ADRs or to whom BSkyB ADRs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by BSkyB or an exchange of stock regarding the BSkyB ADRs or deposited securities or a distribution of BSkyB ADRs), or by BSkyB ADR holders, as applicable: (i) taxes and other governmental charges, (ii) such registration fees as may from time to time be in effect for the registration of transfers of BSkyB ordinary shares generally on the share register of BSkyB or foreign registrar and applicable to transfers of BSkyB ordinary shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (iii) such cable, telex and facsimile transmission

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expenses as are expressly provided in the Deposit Agreement, (iv) such customary expenses as are incurred by the Depositary in the conversion of foreign currency, (v) a fee of US\$5.00 or less per 100 BSKyB ADSs (or portion thereof) for the execution and delivery or surrender of BSKyB ADRs, (vi) a fee of US\$.02 or less per BSKyB ADS (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, (vii) a fee for the distribution of securities, such fee being in an amount equal to the fee for the execution and delivery of BSKyB ADSs referred to above which would have been charged as a result of the deposit of such securities but which securities are instead distributed by the Depositary to BSKyB ADR holders and (viii) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents in connection with the servicing of BSKyB ordinary shares or other deposited securities (which charge shall be assessed against BSKyB ADR holders as of the date or dates set by the Depositary and shall be payable at the sole discretion of the Depositary by billing such BSKyB ADR holders for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

## **Liability of Holders for Taxes or Other Charges**

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to a BSKyB ADR or any deposited security evidenced by a BSKyB ADR, such tax or governmental charge shall be payable by such BSKyB ADR holder or any deposited security represented by a BSKyB ADS. Transfer of such BSKyB ADS or any withdrawal of deposited securities represented thereby may be refused until such payment is made, and any dividends or other distributions may be withheld, or any part or all of the deposited securities evidenced by such BSKyB ADR and not theretofore sold may be sold for the account of the holder thereof, and such dividends or other distributions or the proceeds of any such sale may be applied to any payment of such tax or other governmental charge, the holder of such BSKyB ADR remaining liable for any deficiency.

## **Limitation on Liability**

Neither the Depositary nor BSKyB, nor any of their respective agents shall be liable to the BSKyB ADR holders under the Deposit Agreement, except that each of them has agreed to perform their respective obligations expressly set forth therein without negligence or bad faith.

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**DESCRIPTION OF NEWS CORPORATION CLASS A COMMON SHARES**

Pursuant to the terms of the BUCS, you may tender BUCS for redemption on March 15, 2010, March 15, 2013, or March 15, 2018 for payment of the adjusted liquidation preference. The trust may pay the redemption purchase price in, at its election, cash, BSKyB ordinary shares or News Corporation Class A common shares or any combination thereof. The following describes the News Corporation Class A common shares.

**General**

News Corporation's Class A common shares are listed on the New York Stock Exchange and the London Stock Exchange. News Corporation CDIs representing an interests in underlying Class A or Class B common shares (as applicable) are listed on the Australian Stock Exchange.

As at November 12, 2004, News Corporation had authorized 6,000,000,000 Class A common shares and had outstanding 1,891,822,455 Class A common shares.

**Voting Rights**

A holder of a News Corporation Class A common share may only vote under the following circumstances:

on a proposal to dissolve News Corporation or to adopt a plan of liquidation of News Corporation, and with respect to any matter to be voted on by the stockholders of News Corporation following adoption of a proposal to dissolve News Corporation or to adopt a plan of liquidation of News Corporation;

on a proposal to sell, lease or exchange all or substantially all of the property and assets of News Corporation;

on a proposal to adopt an agreement of merger or consolidation in which News Corporation is a constituent corporation, as a result of which the stockholders of News Corporation prior to the merger or consolidation would own less than sixty percent (60%) of the voting power or capital stock of the surviving corporation or consolidated entity (or the direct or indirect parent of the surviving corporation or consolidated entity) following the merger or consolidation; and

with respect to any matter to be voted on by the stockholders of News Corporation during a period during which a dividend (or part of a dividend) in respect of the Class A common shares has been declared and remains unpaid following the payment date with respect to such dividend (or part thereof).

Other than as set forth in the preceding paragraph and as provided by law, a holder of a Class A common share has no right to vote.

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The holders of the News Corporation Class A common shares entitled to vote on a particular matter shall vote in the same manner and subject to the same conditions as the holders of the News Corporation class B common shares or preferred common shares or series common shares, as described below.

At annual and extraordinary general meetings of shareholders:

a majority in voting power of all of the outstanding shares of the stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for all purposes;

each holder of News Corporation Class A common shares represented at a meeting of stockholders shall be entitled to cast one vote for each share of News Corporation Class A common shares entitled to vote thereat.

All voting, except as may be required by law, including voting for the election of directors may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or by his or her proxy, or upon resolution by the board of directors in its discretion or by action of the chairman of the meeting, in his or her



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discretion, a stock vote may be taken. Every stock vote shall be taken by written ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

Unless otherwise provided by the News Corporation Restated Certificate of Incorporation, the Amended and Restated By-laws, the rules or regulations of any stock exchange applicable to News Corporation, or applicable law or pursuant to any regulation applicable to News Corporation or its securities, (a) at all meetings of stockholders for the election of directors, a plurality of the votes cast shall be sufficient to elect, and (b) any other question brought before any meeting of stockholders shall be determined by the affirmative vote of a majority of the votes cast thereon by the holders represented and entitled to vote thereon.

## **Dividends**

Holders of News Corporation Class A common shares are, generally, entitled to such dividends, if any, as may be declared thereon by the board of directors from time to time in its sole discretion out of assets or funds of News Corporation legally available therefore, subject to the following provisions:

if dividends are declared on the Class A common shares that are payable in shares of common shares, or securities convertible into, or exercisable or exchangeable for common stock (as defined in the News Corporation Restated Certificate of Incorporation), the dividends payable to the holders of Class A common shares shall be paid only in shares of Class A common shares (or securities convertible into, or exercisable or exchangeable for Class A common shares), and such dividends shall be paid in the same number of shares (or fraction thereof) on a per share basis of the Class A common (or securities convertible into, or exercisable or exchangeable for the same number of shares (or fraction thereof) on a per share basis of the Class A common shares).

In no event shall the shares of the Class A common shares be split, divided, or combined unless the outstanding shares of the other class shall be proportionately split, divided or combined.

In the event that dividends are declared by the board of directors on News Corporation class B common shares with respect to fiscal years 2005, 2006 or 2007 (regardless of the date on which such dividend shall be declared or paid), each share of Class A common stock shall confer on the holder thereof the right (which right shall rank pari passu with the right to dividends conferred on the class B common shares) to receive: in the case of cash dividends, non-cumulative cash dividends equal to the greater of the following amounts:

such amount as shall be declared by the Board of Directors on a share of the Class A common shares with respect to such fiscal year, which amount shall not exceed in the aggregate \$0.10 per share of Class A common shares with respect to such fiscal year; and

an amount equal to 120% of the aggregate of all cash dividends declared with respect to such fiscal year on a share of class B common shares.

In the case of dividends payable in securities (other than in shares of common stock of News Corporation, or securities convertible into, or exercisable or exchangeable for common stock of News Corporation) or property, like securities or property with a value (as determined in good faith by the News Corporation board of directors in its sole discretion) equal to 120% of the aggregate value of all such dividends payable in such securities or property and declared with respect to such fiscal year on a share of class B common shares; and in the case of dividends payable in shares of common stock of News Corporation, or securities convertible into, or exercisable or exchangeable for, common stock of News Corporation, such dividends as are provided for in News Corporation's Restated Certificate of Incorporation.

Any dividends declared by the board of directors on a share of common stock with respect to fiscal years 2008 and thereafter (regardless of the date on which such dividends shall be declared or paid) shall be declared in equal amounts with respect to each share of Class A common shares and class B common shares (as determined in good faith by the board of directors in its sole discretion), provided that in the case of dividends payable in shares of common stock of News Corporation, or securities convertible into, or exercisable or exchangeable for, common

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stock of News Corporation, such dividends shall be paid as provided for in News Corporation's Restated Certificate of Incorporation.

## **Rights on a Winding-Up**

In the event of any voluntary or involuntary liquidation, dissolution or winding up of News Corporation, after distribution in full of the preferential and/or other amounts to be distributed to the holders of shares of any outstanding series of Preferred Stock or Series Common Stock, the holders of shares of Class A common shares, class B common shares and, to the extent fixed by the board of directors with respect thereto, the series common shares and preferred stock shall be entitled to receive all of the remaining assets of News Corporation available for distribution to its stockholders, ratably in proportion to the number of shares held by them (or, with respect to any series of the series common shares or preferred shares, as so fixed by the board of directors).

## **Transfers**

An Owner (as defined in News Corporation's Restated Certificate of Incorporation) of shares of Class A common shares may not sell, exchange or otherwise transfer Ownership (as defined in News Corporation's Restated Certificate of Incorporation) of such shares to any person who has made an Offer (as defined in News Corporation's Restated Certificate of Incorporation) pursuant to such Offer unless such Offer relates to both Class A common shares and class B common shares, or another Offer or Offers are contemporaneously made with such Offer by such person such that, between all the Offers, they relate to both Class A common shares and class B common shares, and the terms and conditions of such Offer or Offers as they relate to each of the Class A common shares and the class B common shares are Comparable (as defined in News Corporation's Restated Certificate of Incorporation). News Corporation shall, to the extent required by law, note on the certificates of its common stock that shares represented by such certificates are subject to the restrictions set forth in this paragraph.

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**CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS**

The following is a summary of the material United States federal income tax consequences of the acquisition, ownership and disposition by U.S. Holders and Non-U.S. Holders of the BUCS, debentures, BSKyB ordinary shares and News Corporation Class A common shares. For purposes of this discussion, a U.S. Holder means a beneficial owner of a BUCS or a debenture, or a BSKyB ordinary share or News Corporation Class A common share for which a debenture or BUCS may be exchanged, that is for United States federal income tax purposes a citizen or resident of the United States, a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof, an estate whose income is includable in gross income for United States federal income tax purposes regardless of its source, or a trust whose administration is subject to the primary supervision of a United States court and over which one or more United States persons have the authority to control all substantial decisions of the trust. However, in the case of an estate or trust, the discussion of U.S. Holders applies only to the extent such entity's income is taxed to the entity or its beneficiaries on a net income basis under United States tax law. A Non-U.S. Holder is any individual or entity, other than a partnership for United States federal tax purposes, that is not a U.S. Holder.

If an entity that is treated as a partnership for United States federal tax purposes holds a BUCS, debenture, BSKyB ordinary share or News Corporation Class A common shares, the tax treatment of a partner of such partnership will generally depend upon the status of the partner and upon the activities and organization of the partnership. If you are a partner of such a partnership you are urged to consult your tax advisor.

This discussion does not consider all possible tax consequences of the acquisition, ownership or disposition of the BUCS, debentures, BSKyB ordinary shares or News Corporation Class A common shares and may not reflect the tax consequences to any particular holder. Unless otherwise stated, this summary deals only with BUCS, debentures, BSKyB ordinary shares or News Corporation Class A common shares that are held as capital assets (generally, assets held for investment) under the United States Internal Revenue Code of 1986, as amended (the Code). This summary is based on the Code, the Treasury Regulations thereunder, cases and Internal Revenue Service, or IRS, rulings, all in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. The tax treatment of a holder of the BUCS, debentures, BSKyB ordinary shares or News Corporation Class A common shares may vary depending upon the holder's particular situation. This summary does not address all of the tax consequences that may be relevant to holders who may be subject to special tax treatment, such as banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, tax-exempt investors, U.S. expatriates, persons that have a functional currency other than the U.S. dollar, or persons that will hold the BUCS as a position in a straddle, as part of a synthetic security or hedge, or as part of a conversion transaction or other integrated investment. In addition, this summary does not address any aspects of state, local or non-United States tax laws. Prospective investors are urged to consult their tax advisor as to the particular consequences of acquiring, owning and disposing of the BUCS, debentures, BSKyB ordinary shares and News Corporation Class A common shares including the application and effect of United States federal, state, local and estate and non-United States tax laws.

**Classification of the Debentures**

News America has taken the position that the debentures are classified for all United States tax purposes as indebtedness of News America under current law. News America, the trust and each holder (by acceptance of a beneficial ownership interest in the BUCS) agree to treat the debentures as indebtedness for all United States tax purposes. The remainder of this discussion assumes that the debentures will be classified as indebtedness of News America.

**Classification of the Trust**

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In the opinion of Hogan & Hartson L.L.P., tax counsel to News Corporation and the trust, who we refer to as the Company Tax Counsel, under current law and assuming full compliance with the terms of the trust declaration and the indenture (and certain other documents) and based on certain facts and assumptions contained in such opinion, the trust will be classified for United States federal income tax purposes as a grantor trust and not as an association taxable as a corporation. As a result, for United States federal income tax purposes, each holder of a

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BUCS will generally be considered the beneficial owner of a pro rata portion of the debentures held by the trust. Each such holder of a BUCS will also be required to include in its gross income interest income or original issue discount with respect to its allocable share of those debentures determined as described below in U.S. Holders Interest Accrual.

### **U.S. Holders**

*Interest Accrual.* For United States federal income tax purposes, the debentures will be subject to Treasury Regulations relating to contingent payment debt instruments (the Contingent Payment Debt Regulations ). Because a U.S. Holder will be treated as the beneficial owner of a pro rata portion of the debentures held by the trust, under the Contingent Payment Debt Regulations, a U.S. Holder will be required to accrue interest income (in amounts described in the next paragraph) regardless of whether such U.S. Holder uses the cash or accrual method of tax accounting. As a result, a U.S. Holder will be required to include interest in taxable income each year in excess of the regular semi-annual interest payments received in that year.

Under the Contingent Payment Debt Regulations, for each accrual period ending prior to or on the maturity date of the debentures, the amount of interest that accrues, as original issue discount, on a debenture equals the product of (a) the adjusted issue price (as defined below) as of the beginning of the accrual period and (b) the comparable yield (as defined below) adjusted for the length of the accrual period. This amount is ratably allocated to each day in the accrual period and is includable as ordinary interest income by a U.S. Holder for each day in the accrual period on which the U.S. Holder holds the BUCS.

The adjusted issue price means the issue price of a debenture, which is \$1,000, increased by any interest previously accrued (determined without regard to any adjustments to interest accruals described below) and decreased by the amount of any projected payments (as defined below) with respect to the debenture.

The comparable yield means the annual yield we would pay, as of the issue date, on a fixed-rate debt security with no exchange right or other contingent payments but with terms and conditions otherwise comparable to those of the debentures. Amounts treated as interest under the Contingent Payment Debt Regulations are treated as original issue discount for all purposes of the Code.

News America has determined that the comparable yield is 4.85%, compounded semi-annually. Under the Contingent Payment Debt Regulations, News America is required, solely for United States federal income tax purposes, to provide a schedule of the projected amounts of payments, or projected payments, on the debentures. This schedule must produce the comparable yield. Based on our determination of the comparable yield, the schedule of projected payments (assuming a principal amount of US\$1,000 and an issue price of US\$1,000, and with respect to each integral multiple thereof) consists of (a) a payment of interest equal to US\$3.625 on September 15, 2003, (b) payments of interest equal to US\$3.75 on each subsequent semi-annual interest payment date (including the maturity date) and (c) a payment of a projected amount at the maturity date of the debentures (excluding the stated semi-annual interest on the debentures payable on such date) equal to US\$2,357.23. For United States federal income tax purposes, a U.S. Holder is required to use the comparable yield and the schedule of projected payments in determining its interest accruals and adjustments thereof in respect of the debentures, unless such U.S. Holder timely discloses and justifies the use of other estimates to the IRS.

THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT PROVIDED FOR ANY PURPOSE OTHER THAN THE DETERMINATION OF U.S. HOLDERS INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE DEBENTURES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE ON THE DEBENTURES.

*Adjustments to Interest Accruals.* If the sum of any actual payments (other than in connection with an unscheduled retirement) received by a U.S. Holder with respect to the debentures during a taxable year (including regular cash dividend amounts, extraordinary distributions, and upon the maturity of the debentures, the fair market value of any BSkyB ordinary shares received by such holder, plus the fair market value of any other property received, plus the amount of cash received) exceeds the total amount of projected payments for that taxable year, the difference will produce a net positive adjustment under the Contingent Payment Debt Regulations, which will be

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treated as additional interest to the holder for the taxable year. For this purpose, the payments in a taxable year include the fair market value of property received with respect to the debentures in that year. If the actual total amount received by the holder in a taxable year is less than the total amount of projected payments to the holder for that taxable year, the difference will produce a net negative adjustment under the Contingent Payment Debt Regulations, which will (a) reduce the U.S. Holder's interest income on the BUCS for that taxable year and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the U.S. Holder's interest income on the BUCS during prior taxable years (reduced to the extent such interest was offset by prior net negative adjustments).

*Purchase for Premium or Discount.* A purchase of the BUCS or debentures by a U.S. Holder will cause the new U.S. Holder to have a basis in the BUCS or the debentures equal to the amount paid for the BUCS or debentures. A U.S. Holder is required to reasonably allocate any difference between the adjusted issue price of the BUCS or debentures and such U.S. Holder's basis in the BUCS or debentures to daily portions of interest or projected payments over the remaining term of the BUCS or debentures. If such basis in the BUCS or debentures exceeds the BUCS or debentures' adjusted issue price, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a negative adjustment on the date the daily portion accrues or the payment is made. On the date of the adjustment, the U.S. Holder's adjusted basis in the BUCS or debentures is reduced by the amount the U.S. Holder so treats as a negative adjustment. If the new U.S. Holder's basis in the BUCS or debentures is less than the BUCS or debentures' adjusted issue price, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a positive adjustment on the date the daily portion accrues or the payment is made. On the date of the adjustment, the U.S. Holder's adjusted basis in the BUCS or debentures is increased by the amount the U.S. Holder so treats as a positive adjustment.

*Receipt of Debentures Upon Liquidation of the Trust.* Under certain circumstances, debentures may be distributed to holders of the BUCS upon the liquidation of the trust. Under current law, such distributions, for United States federal income tax purposes, would be treated as non-taxable events. Upon liquidation of the trust, the U.S. Holders of BUCS would each have an aggregate tax basis in the debentures distributed to them equal to the aggregate basis of their BUCS. The holding period in the debentures received in liquidation of the trust would include the period during which the BUCS were held by such holder.

*Sale or Exchange of the BUCS or Debentures.* Upon the sale, exchange or unscheduled retirement of the BUCS or debentures prior to the maturity date (including, for instance, (a) an exchange at the U.S. Holder's option for BSKyB ordinary shares and/or cash, (b) a put by a U.S. Holder for BSKyB ordinary shares, News Corporation Class A common shares and/or cash, and (c) a redemption at News America's option for BSKyB ordinary shares and/or cash), the U.S. Holder will recognize gain or loss equal to the difference between the amount realized and the U.S. Holder's adjusted basis. A U.S. Holder will be treated as receiving an amount equal to the fair market value of any BSKyB ordinary shares or News Corporation Class A common shares received, plus the fair market value of any other property received, plus the amount of any cash received. The adjusted basis will be the U.S. Holder's original basis in the BUCS or debentures, increased by the interest income previously included by the U.S. Holder with respect to the BUCS or debentures (determined without regard to any adjustments to interest accruals described in the second preceding paragraph) and decreased by the projected amount of all prior payments with respect to the BUCS or debentures. Any gain upon sale, exchange or unscheduled retirement of the BUCS or debentures will be ordinary interest income; any loss will be ordinary loss to the extent of the interest previously included in income by the U.S. Holder with respect to the BUCS or debentures, and thereafter, capital loss. The distinction between capital loss and ordinary loss is potentially significant in several respects. For example, limitations apply to a U.S. Holder's ability to offset capital losses against ordinary income.

*Distributions on News Corporation Class A Common Shares.* The gross amount of any distribution made by News Corporation to a U.S. Holder with respect to any News Corporation Class A common shares held by the U.S. Holder generally will be includible in the income of such U.S. Holder as dividend income to the extent that such distribution is paid out of News Corporation's current or accumulated earnings and profits as determined under United States federal income tax principles. Dividends will generally constitute U.S. source passive income for foreign tax credit purposes. The dividend income generally will be eligible for the dividends received deduction allowed to corporations. If the amount of any distribution exceeds News Corporation's current and accumulated earnings and profits as so computed, such excess first will be treated as a tax-free return of capital to the extent of





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the U.S. Holder's tax basis in its News Corporation Class A common shares, and thereafter as gain from the sale or exchange of property.

Dividends received by an individual U.S. Holder before January 1, 2009 with respect to such U.S. Holder's News Corporation Class A common shares will generally be subject to a reduced rate of taxation, provided that certain holding period and other requirements are met.

*Distributions on BSKyB Ordinary Shares.* The gross amount of any distribution made by BSKyB to a U.S. Holder with respect to any BSKyB ordinary shares held by the U.S. Holder generally will be includable in the income of the U.S. Holder as dividend income to the extent that such distribution is paid out of BSKyB's current or accumulated earnings and profits as determined under United States federal income tax principles. Dividends will generally constitute foreign source passive income for foreign tax credit purposes. The dividend income generally will not be eligible for the dividends received deduction allowed to corporations. If the amount of any distribution exceeds BSKyB's current and accumulated earnings and profits as so computed, such excess first will be treated as a tax-free return of capital to the extent of the U.S. Holder's tax basis in its BSKyB ordinary shares, and thereafter as gain from the sale or exchange of property.

Dividends received by an individual U.S. Holder before January 1, 2009 with respect to such U.S. Holder's BSKyB Ordinary Shares will generally be subject to a reduced rate of taxation, in the same manner and subject to the same requirements as described above under *Distributions on News Corporation Class A Common Shares*, provided that BSKyB is a qualified foreign corporation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of certain comprehensive income tax treaties with the United States. United States Treasury Department guidance indicates that a foreign corporation organized in the United Kingdom, such as BSKyB, will qualify. U.S. Holders should consult their own tax advisors regarding the application of these rules.

The amount of any dividend paid in non-United States currency will be equal to the United States dollar value of such currency on the date the dividend is included in income, regardless of whether the payment is in fact converted into United States dollars. A U.S. Holder will generally be required to recognize foreign currency gain or loss when such United States Holder sells or disposes of non-United States currency. A U.S. Holder may also be required to recognize foreign currency gain or loss upon receipt of a refund under an applicable treaty of tax withheld in excess of the treaty rate. This foreign currency gain or loss will generally be treated as U.S. source ordinary income or loss.

Any non-United States withholding tax with respect to a dividend may be used as a credit against a U.S. Holder's United States federal income tax liability, subject to certain conditions and limitations.

*Disposition of BSKyB Ordinary Shares or News Corporation Class A Common Shares.* A U.S. Holder generally will recognize capital gain or loss for United States federal income tax purposes on the sale, exchange or other disposition of BSKyB ordinary shares or News Corporation Class A common shares held by the U.S. Holder in an amount equal to the difference between the amount realized on the sale or other disposition and the U.S. Holder's tax basis in the BSKyB ordinary shares or News Corporation Class A common shares. Any such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the shares for more than one year. A U.S. Holder that received BSKyB ordinary shares or News Corporation Class A common shares in an exchange or other disposition of a BUCS will have a basis in those BSKyB ordinary shares or News Corporation Class A common shares equal to the fair market value of the shares on the date of such disposition of the BUCS. The U.S. Holder's holding period in the BSKyB ordinary shares or News Corporation Class A common shares will begin the day after such disposition of the BUCS.

*United States Passive Foreign Investment Company Rules.* BSKyB believes that it will not be treated as a passive foreign investment company, or PFIC, for United States federal income tax purposes for the current taxable year or for any future taxable year. However, an actual determination of PFIC status is factual and cannot be made until the close of the applicable taxable year. BSKyB will be a PFIC for any taxable

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year in which either (i) 75% or more of its gross income is passive income or (ii) its assets that produce passive income or that are held for the production of passive income amount to at least 50% of the value of its total assets on average. For purposes of this test, the applicable company will be treated as directly owning its proportionate share of the assets, and directly

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receiving its proportionate share of the gross income, of each corporation in which it owns, directly or indirectly, at least 25% of the value of the shares of such corporation. If BSkyB were to become a PFIC, the United States federal income tax applicable to distributions on BSkyB ordinary shares and any gains a U.S. Holder recognizes on disposition of such shares, may be less favorable to such U.S. Holder. Accordingly, each U.S. Holder should consult with its own professional tax advisor regarding the PFIC rules.

*Backup Withholding and Information Reporting.* Interest payments on the BUCS or debentures and proceeds from the sale, exchange or other disposition of the BUCS or debentures, or BSkyB ordinary shares or News Corporation Class A common shares received in exchange therefor, may be subject to information reporting to the IRS and possibly to United States backup withholding. United States federal backup withholding generally is imposed on specified payments to persons that fail to furnish required information at a rate of 28%. Backup withholding will generally not apply to a holder who furnishes a correct taxpayer identification number or certificate of non-United States status and makes any other required certification, or who is otherwise exempt from backup withholding. Any U.S. Holder required to establish exempt status generally must file Internal Revenue Service Form W-9, Request for Taxpayer Identification Number and Certification. Recently finalized Treasury Regulations have generally expanded the circumstances under which information reporting and backup withholding may apply.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's United States federal income tax liability. A U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing required information.

**Non-U.S. Holders**

*Interest Accrual.* The payment or accrual of principal and interest (including original issue discount) on a BUCS or debenture by News America or any of its paying agents to any Non-U.S. Holder will not be subject to United States federal withholding tax, provided that (1) the Non-U.S. Holder does not actually or constructively own ten percent or more of the total combined voting power of all classes of stock of News America entitled to vote, (2) the Non-U.S. Holder is not a controlled foreign corporation that is related to News America through actual or constructive stock ownership, (3) the BSkyB ordinary shares and News Corporation Class A common shares continue to be actively traded within the meaning of Section 871(h)(4)(c)(v)(I) of the Code (which for these purposes and subject to certain exceptions, includes trading on Nasdaq) and (4) the beneficial owner of the debentures certifies by providing a Form W-8BEN, or appropriate substitute form, to News America or its agent (provided that if the BUCS are held through a financial institution or other agent acting on the behalf of the Non-U.S. Holder, the Non-U.S. Holder generally will be required to provide appropriate documentation to the agent and the agent will then be required to provide certification to News America or its paying agent, either directly or through other intermediaries).

Notwithstanding the above, a Non-U.S. Holder that is engaged in the conduct of a United States trade or business will be subject to (i) United States federal income tax on interest that is effectively connected with the conduct of such trade or business, or, if a tax treaty applies, attributable to a United States permanent establishment maintained by such Non-U.S. Holder and (ii) if the Non-U.S. Holder is a corporation, a United States branch profits tax equal to 30% of its effectively connected earnings and profits as adjusted for the taxable year, unless the holder qualifies for an exemption from such tax or a lower tax rate under an applicable treaty.

*Receipt of Debentures Upon Liquidation of the Trust.* Under certain circumstances, debentures may be distributed to holders of the BUCS upon liquidation of the trust. In such a case, a Non-U.S. Holder will have the same United States federal income tax consequences as a U.S. Holder, which are described above under U.S. Holders Receipt of Debentures Upon Liquidation of the Trust.

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*Sale or Exchange of the BUCS or Debentures.* A Non-U.S. Holder will generally not be subject to United States federal income or withholding tax on any gain realized in connection with the sale, exchange or retirement of a BUCS or debenture, unless (i) the Non-U.S. Holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the disposition and who has a tax home or an office or fixed place of business in the United States to which the gain is attributable or (ii) the gain is effectively connected with such Non-U.S. Holder's

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conduct of a trade or business within the United States, or, if a tax treaty applies, attributable to a United States permanent establishment maintained by such Non-U.S. Holder.

*Federal Estate Tax Consequences of Holding BUCS.* BUCS held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to United States federal estate tax as a result of such individual's death if the individual does not actually or constructively own 10 percent or more of the total combined voting power of all classes of stock of News America entitled to vote and, at the time of the individual's death, if payments with respect to such BUCS would not have been effectively connected with the conduct by such individual of a trade or business in the United States.

*Disposition of BSKyB Ordinary Shares of News Corporation Class A Common Shares.* A Non-U.S. Holder of BSKyB ordinary shares or News Corporation Class A common shares received in exchange for BUCS or debentures will generally not be subject to United States income or withholding tax on gain realized on the sale, exchange or other disposition of such shares, unless (i) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and who has a tax home or an office or fixed place of business in the United States to which the gain is attributable or (ii) the gain is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States, or, if a tax treaty applies, attributable to a United States permanent establishment maintained by such Non-U.S. Holder.

*Distributions on News Corporation Class A Common Shares.* A Non-U.S. Holder of BSKyB ordinary shares received in exchange for BUCS or debentures that receives dividends with respect to such BSKyB ordinary shares, as described above under U.S. Holders' Distributions on News Corporation Class A Common Shares, will be subject to United States federal withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty, unless the dividend is effectively connected with such Non-U.S. Holder's conduct of a trade or business within the United States, or, if a tax treaty applies, attributable to a United States permanent establishment maintained by such Non-U.S. Holder.

A non-U.S. holder who wishes to claim the benefit of an applicable income tax treaty is required to satisfy certain certification and other requirements. If you are eligible for a reduced rate of United States withholding tax pursuant to an income tax treaty, you may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service.

*Distributions on BSKyB Ordinary Shares.* A Non-U.S. Holder of BSKyB ordinary shares received in exchange for BUCS or debentures will generally not be subject to United States income or withholding tax on distributions with respect to such shares.

*Federal Estate Tax Consequences of Holding News Corporation Class A Common Shares.* For U.S. estate tax purposes, News Corporation Class A common shares will generally be included in the estate of an individual Non-U.S. Holder, although an applicable treaty may operate to exempt such stock or reduce the tax that would otherwise have been imposed. The rate of tax is a sliding scale beginning at 18% for a taxable amount of \$10,000 or less, and ranging up to 48% for a taxable amount of over \$2 million. A credit against the U.S. estate tax (US\$555,800) shields an estate of a U.S. resident with assets of up to \$1.5 million; if the value of the estate is greater than \$1.5 million, U.S. estate tax will be payable with respect to the excess over that amount. A Non-U.S. Holder eligible for the benefits of a U.S. estate tax treaty may also be able to claim the benefit of this tax credit. In any circumstance where the worldwide estate is less than \$1.5 million there will be no U.S. estate tax payable. In no event, however, will estate tax be imposed on any estate having US assets subject to the tax with a value of less than US\$60,000.

*Backup Withholding and Information Reporting.* Interest payments on the BUCS or debentures and proceeds from the sale, exchange or other disposition of the BUCS or debentures, or BSKyB ordinary shares or News Corporation Class A common shares received in exchange therefor,

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may be subject to information reporting to the IRS and possibly to United States backup withholding. United States federal backup withholding generally is imposed on specified payments to persons that fail to furnish required information at a rate of 28%. Backup withholding will generally not apply to a Non-U.S. Holder that furnishes a correct taxpayer identification number or certificate of non-United States status and makes any other required certification, or that is otherwise exempt from

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backup withholding (provided that the applicable payor or its agent does not have actual knowledge that the payee is a United States person).

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a Non-U.S. Holder's United States federal income tax liability. A Non-U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS and furnishing required information.

## **Additional Amounts**

All payments made by News Corporation or a subsidiary guarantor, other than a subsidiary guarantor that is organized in or whose residence is the United States, with respect to the guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Australia or any political subdivision thereof or any authority therein or thereof, or the country of residence of News Corporation or any subsidiary guarantor other than a subsidiary guarantor that is organized in or whose residence is the United States or any political subdivision thereof, having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is then required by law. In the event that Australia or any political subdivision thereof or any authority therein, or the country of residence of News Corporation or any subsidiary guarantor other than a subsidiary guarantor that is organized in or whose residence is the United States or any political subdivision thereof, imposes any such withholding tax deductions on (i) any payments made by News Corporation or a subsidiary guarantor with respect to the guarantees or (ii) any net proceeds on the sale to or exchange with News Corporation or any subsidiary guarantor of the debentures, News Corporation or such subsidiary guarantor will pay such additional amounts (the Additional Amounts) as may be necessary in order that the net amounts received in respect of such payments or sale or exchange in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any debentures held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such debentures by reason of being a citizen or resident of, or carrying on a business in, Australia or any political subdivision thereof or any authority therein, or the country of residence of News Corporation or any subsidiary guarantor. In the case of net proceeds from the sale or exchange of debentures, the Additional Amounts shall not exceed the Additional Amounts that would have been payable if the debentures had been redeemed for their principal amount plus accrued but unpaid interest at the time of such sale or exchange. The indenture provides that in certain circumstances News America will have the opportunity to optionally redeem all of the debentures upon the operation of this provision and, as a result of any such redemption, the trust will have the obligation to redeem all of the BUCS. Notwithstanding the foregoing, News Corporation or a subsidiary guarantor making a payment on the debentures pursuant to the guarantees shall not be required to pay any Additional Amounts if (i) News Corporation or such subsidiary guarantor provides the beneficial holder of a debenture with (A) written notice in advance of making such payment and (B) the appropriate forms or instructions necessary to enable such beneficial holder to certify, document or claim the availability of an exemption from, or reduction of, the withholding or deduction of such taxes under applicable law, and (ii) the obligation to pay such Additional Amounts would not have arisen but for the failure of such beneficial holder to (A) duly complete such forms or respond to such instructions or make such claim without undue delay or (B) provide to News Corporation or such subsidiary guarantor or relevant taxing authority such duly completed forms or responses to instructions.

## **CERTAIN U.K. TAX CONSEQUENCES**

### **Sale of BUCS and Debentures**

No U.K. stamp duty reserve tax will be payable in relation to an agreement to transfer BUCS or debentures and no U.K. stamp duty will be payable in relation to any disposal of BUCS or debentures which is effected without any instrument of transfer.



**Sale of BSkyB Ordinary Shares**

If a holder of a BUCS or debenture receives BSkyB ordinary shares in exchange for such BUCS or debenture, any instrument transferring BSkyB ordinary shares on the sale of such BSkyB ordinary shares will be stampable at

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0.5% of the consideration. Any agreement to transfer BSkyB ordinary shares will be subject to stamp duty reserve tax at 0.5% of the consideration. Failure to pay any stamp duty on transfer of the BSkyB ordinary shares may result in a liability to pay interest and penalties, although timely payment of stamp duty will cancel any stamp duty reserve tax payable.

There will be no charge to stamp duty or stamp duty reserve tax in the United Kingdom on any transfer or agreement to transfer BSkyB ordinary shares represented by BSkyB ADRs.

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All of the BUCS being offered hereby are being offered for the accounts of the selling security holders. The BUCS were originally issued by us and sold by the initial purchasers of the BUCS, in a transaction exempt from the registration requirements of the Securities Act. The selling security holders may from time to time offer and sell pursuant to this prospectus any or all of the BUCS listed below in such amounts as they, in their sole discretion, determine. When we refer to the selling security holders in this prospectus, we mean the holders referred to in the table below, as well as the pledgees, donees, assignees, transferees, successors and others who later hold any of the selling security holders' interests. Neither the filing with the Commission of the registration statement of which this prospectus forms a part nor the distribution of this prospectus necessarily means that any or all of the BUCS being offered for the accounts of the selling security holders are being offered for sale at any given time.

The table below sets forth the name of each selling security holder, the original liquidation preference of BUCS owned and the original liquidation preference of BUCS registered by each selling security holder in this prospectus that each selling security holder may offer pursuant to this prospectus.

We have prepared the table below based on information given to us by the selling security holders prior to the effective date of the registration statement of which this prospectus forms a part; however, any or all of the BUCS listed below and the offered securities for which such BUCS (or the debentures) are exchangeable or redeemable (or which may be distributed to the holders of the BUCS) may be offered for sale pursuant to this prospectus by the selling security holders from time to time, including selling security holders that, after the effective date of the registration statement, acquire any of the BUCS held by the selling security holders listed in the table below. Accordingly, no estimate can be given as to the amounts of BUCS or other offered securities that will be held by the selling security holders upon consummation of any such sales. In addition, the information relating to ownership of BUCS by the selling security holders listed in the table below may have changed as a result of the acquisition, sale or transfer, in transactions exempt from the registration requirements of the Securities Act, of some or all of their BUCS since the date as of which the information in the table is presented.

Information about selling security holders reflected below is as of November 24, 2004 but may change over time. Any changed information supplied to us will be set forth in prospectus supplements or post-effective amendments, as may be appropriate. From time to time, additional information concerning ownership of the BUCS may rest with certain holders thereof not named in the table below and of whom we are unaware.

| Name and Address of Selling Security Holder  | Aggregate<br>Principal<br>Amount At<br>Maturity<br><br>of BUCS<br><br>That May<br>Be<br>Sold (\$) | Percentage of<br><br>BUCS<br><br>Outstanding | Number of<br><br>BSkyB<br><br>Ordinary<br>Shares<br>Owned<br>Prior to<br>Exchange | Number of<br><br>BSkyB<br>Ordinary<br>Shares<br>Registered<br>Hereby <sup>(1)</sup> |
|--|---|--|---|---|
| AAM/Zazove International Convertible Fund L.P.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451 | 400,000   | *  | 0   | 30,836  |
| ACIG Insurance Company<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                         | 300,000   | *  | 0   | 23,127  |

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|   |            |    |   |           |
|---|------------|----|---|-----------|
| Advantage Convertible Securities Fund<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                   | 350,000    | *  | 0 | 26,982    |
| AIG DKR SoundShore Overseas Holding Fund Ltd.<br>c/o DKR Capital Partners LP<br>1281 East Main Street<br>Stamford, CT 06902 | 6,825,000  | *  | 0 | 526,139   |
| Alcon 401(k) Retirement Plan<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                            | 1,100,000  | *  | 0 | 84,799    |
| Amaranth Fund L.P.<br>Amaranth Group 1 American Lane<br>Greenwich, CT 06831<br>Attn: General Counsel                        | 85,000,000 | 5% | 0 | 6,552,650 |
| American Fidelity Assurance Company<br>2000 Classen Center<br>Oklahoma City, OK 73106                                       | 260,000    | *  | 0 | 20,043    |
| American Founders Life Ins. Co.<br>8395 Keystone Crossing<br>Indianapolis, IN 46240   | 400,000    | *  | 0 | 30,836    |
| American Pioneer Life Ins. Co. of New York<br>6 International Drive<br>Rye Brook, NY 10573-1068                             | 90,000     | *  | 0 | 6,938     |
| American Progressive Life & Health<br>6 International Drive<br>Rye Brook, NY 10573-1068                                     | 90,000     | *  | 0 | 6,938     |
| American Public Entity Excess Pool<br>29621 Northwestern Highway<br>Southfield, MI 48034                                    | 90,000     | *  | 0 | 6,938     |
| Auspis Ltd.<br>c/o Jefferies Asset Management Ltd.<br>Uraniastrasse 12<br>CH-8023 Zurich, Switzerland                       | 200,000    | *  | 0 | 15,418    |

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| <b>Name and Address of Selling Security Holder</b>  | <b>Aggregate<br/>Principal<br/>Amount At<br/>Maturity<br/><br/>of BUCS<br/><br/>That May<br/>Be<br/>Sold (\$)</b> | <b>Percentage of<br/><br/>BUCS<br/><br/>Outstanding</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Owned<br/>Prior to<br/>Exchange</b> | <b>Number of<br/><br/>BSkyB<br/>Ordinary<br/>Shares<br/>Registered<br/>Hereby <sup>(1)</sup></b> |
|---|---|---|--|--|
| Bank Austria Cayman Islands, Ltd<br>c/o Remius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017   | 3,000,000   | *   | 0  | 231,270  |
| Bank Austria C29 BA 510-452448<br>Obere Donacsterasse 19<br>1090 Vienna, Austria  | 150,000   | *   | 0  | 11,564   |
| Barclays Global Investors<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870  | 350,000   | *   | 0  | 26,982   |
| Barep Convertible Arbitrage<br>c/o Barep Asset Management<br>3 Rue Lafayette<br>750009 Paris, France  | 34,000,000  | 2%  | 0  | 2,621,060  |
| Barep Convertible Arbitrage Enhanced<br>c/o Barep Asset Management<br>3 Rue Lafayette<br>750009 Paris, France   | 12,000,000  | *   | 0  | 925,080  |
| Basso Global Convertible Holding Fund Ltd.<br>M & C Corporate Services Ltd.<br>P.O. Box 309GT Uglan House<br>South Church Street, George Town<br>Grand Cayman, Cayman Islands | 1,050,000   | *   | 0  | 80,945   |
| Basso Multi-Strategy Holding Fund Ltd.<br>M & C Corporate Services Ltd.<br>P.O. Box 309GT Uglan House<br>South Church Street, George Town<br>Grand Cayman, Cayman Islands     | 1,350,000   | *   | 0  | 104,072  |
| Beamtenversicherungskasse des Kantons Zurich<br>c/o State Street Switzerland<br>Kassernen Str. 1<br>CH-8004 Zurich, Switzerland   | 3,900,000   | *   | 0  | 300,651  |
| Bernische Lehrerversicherungskasse<br>c/o CSAM<br>P.O. Box 800<br>CH-8070 Zurich, Switzerland   | 450,000   | *   | 0  | 34,691   |

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| <b>Name and Address of Selling Security Holder</b>  | <b>Aggregate<br/>Principal<br/>Amount At<br/>Maturity<br/><br/>of BUCS<br/><br/>That May<br/>Be<br/>Sold (\$)</b> | <b>Percentage of<br/><br/>BUCS<br/><br/>Outstanding</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Owned<br/>Prior to<br/>Exchange</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Registered<br/>Hereby <sup>(1)</sup></b> |
|---|---|---|--|---|
| Black Diamond Offshore Ltd.<br>P.O. Box 852, UBS House<br>75 Fort Street<br>George Town, Grand Cayman<br>Cayman Islands BWI             | 150,000   | *   | 0  | 11,564  |
| Buckeye State Mutual Ins. Co.<br>1 Heritage Place<br>Piqua, OH 45356  | 30,000  | *   | 0  | 2,313   |
| CALAMOS Convertible Fund CALAMOS Investment Trust<br>c/o CALAMOS Investments<br>1111 E. Warrenville Road<br>Naperville, IL 60563        | 11,500,000  | *   | 0  | 886,535   |
| CALAMOS Global Convertible Fund CALAMOS Investment Trust<br>c/o CALAMOS Investments<br>1111 E. Warrenville Road<br>Naperville, IL 60563 | 700,000   | *   | 0  | 53,963  |
| CALAMOS Group Trust International Fund<br>c/o CALAMOS Investments<br>1111 E. Warrenville Road<br>Naperville, IL 60563                   | 1,700,000   | *   | 0  | 131,053   |
| Catholic Family Life Ins.<br>1572 E. Capital Drive<br>Milwaukee, WI 53211-0563  | 340,000   | *   | 0  | 26,211  |
| Catholic Relief Insurance Company of America<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                        | 600,000   | *   | 0  | 46,254  |
| Celina Mutual Ins. Co.<br>1 Insurance Square<br>Celina, OH 45822-1690   | 40,000  | *   | 0  | 3,084   |
| Century National Insurance Co.<br>12200 Sylvan St.<br>North Hollywood, CA 91606   | 1,000,000   | *   | 0  | 77,090  |
| Cheyne Fund LP<br>13 Park Place<br>London, England SW1A1LP  | 1,980,000   | *   | 0  | 152,638   |
| Cheyne Leveraged Fund LP<br>13 Park Place<br>London, England SW1A1LP  | 1,225,000   | *   | 0  | 94,435  |

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| Name and Address of Selling Security Holder   | Aggregate<br>Principal<br>Amount At<br>Maturity<br><br>of BUCS<br><br>That May<br>Be<br>Sold (\$) | Percentage of<br><br>BUCS<br><br>Outstanding | Number of<br><br>BSkyB<br><br>Ordinary<br>Shares<br>Owned<br>Prior to<br>Exchange | Number of<br><br>BSkyB<br><br>Ordinary<br>Shares<br>Registered<br>Hereby <sup>(1)</sup> |
|---|---|--|---|---|
| CI Global Convertible Capital Invest<br>Obere Donacsterasse 19<br>1090 Vienna, Austria  | 350,000   | *  | 0   | 26,982  |
| CIP Limited Duration Company<br>1 Cabot Square<br>London, England E144QJ  | 238,000   | *  | 0   | 18,347  |
| Citigroup Global Markets U.K. Equity Limited<br>Citigroup Centre, Canada Square<br>Canary Wharf<br>London, England E145LB                       | 30,000,000  | 2%   | 0   | 2,312,700   |
| Citigroup Global Markets Limited<br>Citigroup Centre, Canada Square<br>Canary Wharf<br>London, England E145LB                                   | 37,515,000  | 2%   | 0   | 2,892,031   |
| Colonial Lloyds Insurance Co.<br>2600 W. Freeway<br>Fort Worth, TX 76102  | 20,000  | *  | 0   | 1,542   |
| Commerzbank AG Frankfurt<br>Shearbourne House<br>119-121 Cannon Street<br>London, England EC3V0HR   | 5,750,000   | *  | 0   | 443,268   |
| Commerzbank AG Frankfurt<br>119-121 Cannon Street<br>London, England EC3V0HR  | 250,000   | *  | 0   | 19,273  |
| Commonwealth Dealers<br>8001 W. Broad Street<br>Richmond, VA 23294  | 200,000   | *  | 0   | 15,418  |
| Concord Life Ins. Co.<br>307 N. Michigan Ave.<br>Chicago, IL 60601  | 200,000   | *  | 0   | 15,418  |
| CQS Convertible & Quantitative Strategies<br>Masterfund Ltd.<br>P.O. Box 309<br>Ugland House<br>South Church Street<br>Georgetown, Grand Cayman | 45,000,000  | 3%   | 20,404  | 3,469,050   |
| Credit Suisse First Boston Europe Limited 1<br>Cabot Square<br>London, England E144QJ   | 86,500,000  | 5%   | 0   | 6,668,285   |
| CSA Fraternal Life Ins. Co.<br>122 W. 22nd St.<br>Oakbrook, IL 60521  | 140,000   | *  | 0   | 10,793  |

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| <b>Name and Address of Selling Security Holder</b>   | <b>Aggregate<br/>Principal<br/>Amount At<br/>Maturity<br/><br/>of BUCS<br/><br/>That May<br/>Be<br/>Sold (\$)</b> | <b>Percentage of<br/><br/>BUCS<br/><br/>Outstanding</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Owned<br/>Prior to<br/>Exchange</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Registered<br/>Hereby <sup>(1)</sup></b> |
|--|---|---|--|---|
| CS Alternative Strategy Limited<br>13 Park Place<br>London, England SW1A1LP  | 68,000  | *   | 0  | 5,242   |
| Cumberland Ins. Co.<br>633 Shiloh Pike<br>Bridgeton, NJ 08302  | 180,000   | *   | 0  | 13,876  |
| Cumberland Mutual Fire Ins. Co.<br>633 Shiloh Pike<br>Bridgeton, NJ 08302  | 750,000   | *   | 0  | 57,818  |
| DBAG London<br>31 West 52nd Street, 4th Floor<br>New York, NY 10019  | 10,000,000  | *   | 0  | 770,900   |
| DKR SoundShore Oasis Holding Fund Ltd.<br>29 Richmond Road<br>Pembroke, HM 08, Bermuda   | 5,252,000   | *   | 0  | 404,877   |
| DKR SoundShore Strategic Holding Fund Ltd.<br>29 Richmond Road<br>Pembroke, HM 08, Bermuda   | 2,848,000   | *   | 0  | 219,552   |
| Double Black Diamond Offshore LDC<br>P.O. Box 852, UBS House<br>75 Fort Street<br>George Town, Grand Cayman<br>Cayman Islands BWI  | 800,000   | *   | 0  | 61,672  |
| Educators Mutual Life Ins.<br>202 N. Price Street<br>Lancaster, PA 17603   | 180,000   | *   | 0  | 13,876  |
| Employee s Retirement of N.O. Sewer/Water Board<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451  | 650,000   | *   | 0  | 50,109  |
| Fidelity Financial Trust: Fidelity Convertible<br>Securities Fund<br>c/o Dasha Tcherniakovskaia, Legal Product Manager<br>FMR Corp.<br>82 Devonshire Street, E31C<br>Boston, MA 02109-3614 | 15,000,000  | *   | 0  | 1,156,350   |
| Field Holdings, Inc.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451   | 70,000  | *   | 0  | 5,396   |



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| <b>Name and Address of Selling Security Holder</b>  | <b>Aggregate<br/>Principal<br/>Amount At<br/>Maturity<br/><br/>of BUCS<br/><br/>That May<br/>Be<br/>Sold (\$)</b> | <b>Percentage of<br/><br/>BUCS<br/><br/>Outstanding</b> | <b>Number of<br/><br/>BSkyB<br/><br/>Ordinary<br/>Shares<br/>Owned<br/>Prior to<br/>Exchange</b> | <b>Number of<br/><br/>BSkyB<br/>Ordinary<br/>Shares<br/>Registered<br/>Hereby <sup>(1)</sup></b> |
|---|---|---|--|--|
| First Dakota Indemnity Co.<br>3900 W. 53rd St.<br>Sioux Falls, SD 57109-1008  | 20,000  | *   | 0  | 1,542  |
| Forest Fulcrom Fund LLP<br>53 Forest Avenue<br>Old Greenwich, CT 06870  | 1,370,000   | *   | 0  | 105,613  |
| Forest Global Convertible Fund<br>53 Forest Avenue<br>Old Greenwich, CT 06870   | 5,585,000   | *   | 0  | 430,548  |
| Forest Multi-Strategy Master Fund on behalf of its<br>Multi-Strategy Segregated Portfolio Series F<br>53 Forest Avenue<br>Old Greenwich, CT 06870 | 2,070,000   | *   | 0  | 159,576  |
| Founders Insurance Company<br>1645 E. Birchwood<br>Desplaines, IL 60018   | 50,000  | *   | 0  | 3,855  |
| Gaia Offshore Master Fund Ltd.<br>750 Lexington Avenue<br>New York, NY 10022  | 8,000,000   | *   | 0  | 616,720  |
| Gemini Sammel Stiftung Zur Foderung der<br>Personalvorsorge<br>c/o Pictet & Cie<br>29 Boulevard Georges-Favon<br>CH-1204 Geneva, Switzerland      | 400,000   | *   | 0  | 30,836   |
| GLG Global Convertible UCITS Fund<br>c/o GLG Partners<br>One Curzon St.<br>London, England W1JSHB   | 5,650,000   | *   | 0  | 435,559  |
| GLG Global Convertible Fund<br>c/o GLG Partners<br>One Curzon St.<br>London, England W1JSHB   | 24,700,000  | 1%  | 0  | 1,904,123  |
| GLG Mangousta Fund<br>c/o GLG Partners<br>One Curzon St.<br>London, England W1JSHB  | 800,000   | *   | 0  | 61,672   |
| GLG Market Neutral Fund<br>c/o GLG Partners<br>One Curzon St.<br>London, England W1JSHB   | 43,950,000  | 3%  | 0  | 3,388,106  |

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|---|--|--|---|---|
| Goodville Mutual Casualty<br>625 W. Main<br>New Holland, PA 17557   | 150,000  | *  | 0   | 11,564  |
| Grange Mutual Casualty Ins. Co.<br>650 S. Front Street<br>Columbus, OH 43216-1218   | 320,000  | *  | 0   | 24,669  |
| Guarantee Trust Life Ins.<br>1275 Milwaukee<br>Glenview, IL 60025   | 1,100,000  | *  | 0   | 84,799  |
| Hamilton Multi Strategy Master Fund, LP<br>415 Madison Avenue, 19th Floor<br>New York, NY 10017   | 20,000,000   | 1%   | 0   | 1,541,800   |
| Hannover Life Reassurance Company of America<br>800 N. Magnolia<br>Orlando, FL 32803  | 650,000  | *  | 0   | 50,109  |
| HBK Master Fund L.P.<br>c/o HBK Investment L.P.<br>300 Crescent Ct., #700<br>Dallas, TX 75201   | 187,500,000  | 11%  | 0   | 14,454,375  |
| HFR Ed Global Master Trust Co.<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019                    | 481,000  | *  | 0   | 37,080  |
| Indiana Lumbermens Mutual Insurance Company<br>P.O. Box 68600<br>Indianapolis, IN 46268   | 500,000  | *  | 0   | 38,545  |
| Integrity Mutual Ins. Co.<br>P.O. Box 539<br>Appleton, WI 54912-0539  | 250,000  | *  | 0   | 19,273  |
| ISBA Mutual Ins. Co.<br>223 W. Ohio Street<br>Chicago, IL 60610-9003  | 130,000  | *  | 0   | 10,022  |
| Jefferies International Limited London<br>Bracken House<br>One Friday Street<br>London, EC4M 9JA, England                                 | 1,000,000  | *  | 0   | 77,090  |
| Jefferies Umbrella Fund Global Convertible Bond<br>c/o Jefferies Asset Management Ltd.<br>Uraniastrasse 12<br>CH-8023 Zurich, Switzerland | 940,000  | *  | 0   | 72,465  |

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|---|---|---|--|--|
| JMG Capital Partners LP<br>199 Avenue of the Stars, Suite 2530<br>Los Angeles, CA 90067                                     | 7,500,000   | *   | 0  | 578,175  |
| JMG Convertible Investments, LP<br>199 Avenue of the Stars, Suite 2530<br>Los Angeles, CA 90067                             | 17,000,000  | 1%  | 0  | 1,310,530  |
| JMG Triton Offshore Fund, Ltd.<br>199 Avenue of the Stars, Suite 2530<br>Los Angeles, CA 90067                              | 34,500,000  | 2%  | 0  | 2,659,605  |
| JP Morgan Securities Ltd.<br>JP Morgan Chase Bank<br>18 Christchurch Road<br>Bournemouth<br>Dorset, BH1 3BA, United Kingdom | 9,210,000   | *   | 0  | 709,999  |
| Koch Industries Inc. Master Pension Trust<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451               | 400,000   | *   | 0  | 30,836   |
| Laurel Ridge Capital LP<br>685 Third Avenue<br>Suite 2802<br>New York, NY 10017   | 4,000,000   | *   | 0  | 308,360  |
| Lehman Brothers International Europe<br>25 Bank Street<br>London, E14 5LE, England  | 15,720,000  | 1%  | 0  | 1,211,855  |
| Lincoln Memorial Life Ins Co<br>805 Las Cinas Parkway<br>Austin, TX 78746   | 200,000   | *   | 0  | 15,418   |
| LDG Limited<br>Washington Mall Phase 1,<br>Church Street, 3rd Floor<br>Hamilton, HM 11, Bermuda                             | 299,000   | *   | 0  | 23,050   |
| LLT Limited<br>Washington Mall Phase 1,<br>Church Street, 3rd Floor<br>Hamilton, HM 11, Bermuda                             | 500,000   | *   | 0  | 38,545   |
| Lyxor Master Fund<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870                    | 1,950,000   | *   | 0  | 150,326  |

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|--|--|--|---|---|
| Main Street America Assurance Co.<br>55 West Street<br>P.O. Box 2400<br>Keene, NH 03431-7000                         | 600,000  | *  | 0   | 46,254  |
| Main Street America Financial<br>55 West Street<br>P.O. Box 2400<br>Keene, NH 03431-7000                             | 80,000   | *  | 0   | 6,167   |
| Main Street America Holdings<br>55 West Street<br>P.O. Box 2400<br>Keene, NH 03431-7000                              | 530,000  | *  | 0   | 40,858  |
| Marquette Indemnity and Life Ins Co.<br>1000 Des Pares Road<br>Des Pares, MO 63131-2041                              | 60,000   | *  | 0   | 4,625   |
| Martin Andersen Gracia Andersen Foundation, Inc.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451 | 110,000  | *  | 0   | 8,480   |
| Medico Life Ins. Company<br>1515 S. 75th Street<br>Omaha, NE 68124   | 900,000  | *  | 0   | 69,381  |
| Medmarc Insurance Company<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                        | 650,000  | *  | 0   | 50,109  |
| Merrill Lynch International<br>2 King Edward Street<br>London, EC1A 1HQ, England                                     | 25,000,000   | 2%   | 563,674   | 1,927,250   |
| Michigan Mutual Insurance Company<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                | 1,300,000  | *  | 0   | 100,217   |
| Michigan Professional Insurance Exchange<br>21 Michigan Avenue, NE<br>Suite 375<br>Grand Rapids, MI 49503            | 90,000   | *  | 0   | 6,938   |
| Mid America Life Insurance Co.<br>11808 Grant<br>Omaha, NE 68164   | 70,000   | *  | 0   | 5,396   |

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|---|---|---|--|--|
| Mid-State Surety Co.<br>3400 E. La Fayette<br>Detroit, MI 48207   | 40,000  | *   | 0  | 3,084  |
| Morgan Stanley and Co International Ltd.<br>25 Cabot Square<br>Canary Wharf<br>London, England E144QA   | 41,950,000  | 3%  | 0  | 3,233,926  |
| National Grange Mutual Insurance Co.<br>55 West Street<br>P.O. Box 2400<br>Keene, NH 03431-7000   | 700,000   | *   | 0  | 53,963   |
| National Mutual Insurance Co.<br>1 Insurance Square<br>Celina, OH 45822-1690  | 40,000  | *   | 0  | 3,084  |
| National Union Fire Insurance Company of<br>Pittsburgh, PA<br>c/o AIG Global Investment Corp.<br>175 Water Street, 24th Floor<br>New York, NY 10041 | 2,900,000   | *   | 0  | 223,561  |
| NCMIC<br>1452 29th Street, Suite 200<br>West Des Moines, IA 50266-1307  | 1,050,000   | *   | 0  | 80,945   |
| New Era Life Insurance Co.<br>200 Westlake Park Boulevard<br>Houston, TX 77079  | 290,000   | *   | 0  | 22,356   |
| Nisswa Master Fund Ltd.<br>c/o Pine River Capital<br>800 Nicollet Mall, Suite 2710<br>Minneapolis, MN 55402   | 13,000,000  | *   | 0  | 1,002,170  |
| Nomura International plc<br>1 St. Martins De Grand<br>London, England EC1AXNP   | 149,000,000   | 9%  | 0  | 11,486,410   |
| Oklahoma Attorney Mutual Insurance<br>401 N. Hudson<br>Oklahoma City, OK 73102  | 40,000  | *   | 0  | 3,084  |
| Partners Group Alternative Strategies PCC LTD<br>3100 Tower Boulevard, Suite 1104<br>Durham, NC 27707   | 400,000   | *   | 0  | 30,836   |
| Pensionskasse der Antalis AG<br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland  | 60,000  | *   | 0  | 4,625  |

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|---|---|---|--|---|
| Pensionskasse der EMS-Dottikon AG<br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland               | 110,000   | *   | 0  | 8,480   |
| Pensionskasse der EMS-Chemie AG<br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland                 | 70,000  | *   | 0  | 5,396   |
| Pensionskasse der Lonza AG<br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland                      | 140,000   | *   | 0  | 10,793  |
| Pensionskasse der Pluss-Stauffer AG<br>c/o ZKB<br>P.O. Box CH-8010<br>Zurich, Switzerland                                     | 60,000  | *   | 0  | 4,625   |
| Pensionskasse der Rockwell Automation AG<br><br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland    | 80,000  | *   | 0  | 6,167   |
| Pensionskasse Vantico<br>c/o Bank Julius Baer & Co. Ltd.<br>P.O. Box CH-8010<br>Zurich, Switzerland                           | 100,000   | *   | 0  | 7,709   |
| Personal Fursorgestiftung Der<br>Gebäudeversicherung<br>c/o Berner Kantonalbank<br>Bundesplatz 8<br>CH-3001 Bern, Switzerland | 230,000   | *   | 0  | 17,731  |
| Personalvorsorge Der PV-Promea<br>c/o Bank Leu Ltd.<br>P.O. Box<br>CH-8022 Zurich, Switzerland                                | 150,000   | *   | 0  | 11,564  |
| Philanthropic Mutual Life Insurance Co.<br>401 Plymouth Road, Suite 100<br>Plymouth Meeting, PA 19462                         | 80,000  | *   | 0  | 6,167   |
| The Philanthropic Mutual Life Ins. Co. Pension<br>401 Plymouth Road, Suite 100<br>Plymouth Meeting, PA 19462                  | 160,000   | *   | 0  | 12,334  |

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|---|---|---|--|---|
| PIMCO European Convertible Bond Fund<br>1400 Newport Center Drive<br>Newport Beach, CA 92660                        | 660,000   | *   | 0  | 50,879  |
| Premera Blue Cross<br>7001 220th Street, SW<br>P.O. Box 327<br>Mount Lake Terrace, WA 98043                         | 2,300,000   | *   | 0  | 177,307   |
| PSAM Allegro Partners LP<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019    | 608,000   | *   | 0  | 46,871  |
| PSAM GPS Fund Ltd<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019           | 300,000   | *   | 0  | 23,127  |
| PSAM Panorama Fund Ltd<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019      | 2,819,000   | *   | 0  | 217,317   |
| PSAM Worldarb Fund Ltd<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019      | 380,000   | *   | 0  | 29,294  |
| Quattro Fund Ltd<br>Quattro Global Capital, LLC<br>546 Fifth Avenue, 19th Floor<br>New York, NY 10036               | 4,700,000   | *   | 0  | 362,323   |
| Quincy Mutual Fire Insurance Co.<br>57 Washington Street<br>Quincy, MA 02169  | 900,000   | *   | 0  | 69,381  |
| Ramius Master Fund, LTD<br>c/o Ramius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017      | 3,000,000   | *   | 0  | 231,270   |
| Ramius Partners II, LP<br>c/o Ramius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017       | 1,000,000   | *   | 0  | 77,090  |
| RCG Halifax Master Fund, LTD<br>c/o Ramius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017 | 500,000   | *   | 0  | 38,545  |

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|--|---|--|--|---|
| RCG Latitude Master Fund, LTD<br>c/o Ramius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017             | 4,000,000   | *  | 0  | 308,360   |
| RCG MultiStrategy Master Fund, LTD<br>c/o Ramius Capital Group, LLC<br>666 Third Avenue, 26th Floor<br>New York, NY 10017        | 1,500,000   | *  | 0  | 115,635   |
| Relay II Asset Holding<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870                    | 200,000   | *  | 0  | 15,418  |
| Republic Mutual Insurance Co.<br>1 Insurance Square<br>Celina, OH 45822-1690   | 20,000  | *  | 0  | 1,542   |
| S.A.C. Capital Associates, LLC<br>P.O. Box 58<br>Victoria House<br>The Valley, Anguilla  | 1,450,000   | *  | 0  | 111,781   |
| Salomon Brothers Asset Management Inc.<br>100 First Stamford Place, 2nd Floor<br>Stamford, CT 06902                              | 21,000,000  | 1%   | 0  | 1,618,890   |
| San Diego County Employee Retirement<br>Association<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451          | 2,000,000   | *  | 0  | 154,180   |
| San Francisco Employee s Retirement System<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                   | 2,500,000   | *  | 0  | 192,725   |
| Scor Life Re Convertible Program<br>15305 Dallas Parkway, Suite 700<br>Addison, TX 75001   | 350,000   | *  | 0  | 26,982  |
| SGAM Convertible Arbitrage Fund<br>SGAM Alternative Investments<br>2, Place de la Coupole<br>92078 Paris La Défense Cedex France | 9,000,000   | *  | 0  | 693,810   |
| Siemens Convertibles European Markets<br>13 Park Place<br>London, England SW1A1LP  | 1,250,000   | *  | 0  | 96,363  |



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|--|---|--|--|---|
| Siemens Convertibles Global Markets<br>13 Park Place<br>London, England SW1A1LP  | 1,750,000   | *  | 0  | 134,908   |
| South Dakota Retirement System<br>4009 W. 49th Street, Suite 300<br>Sioux Falls, SD 57106                                | 7,000,000   | *  | 0  | 539,630   |
| Spartan Partners LP<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019              | 785,000   | *  | 0  | 60,516  |
| Sphinx Fund<br>c/o TQA Investors LLC<br>333 Ludlow Street<br>1st Floor<br>Stamford, CT 06902                             | 235,000   | *  | 0  | 18,116  |
| Sphinx Convertible Arbitrage Fund<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870 | 125,000   | *  | 0  | 9,636   |
| SPT<br>c/o CALAMOS Investments<br>1111 East Warrenville Road<br>Naperville, IL 60563-1493                                | 1,600,000   | *  | 0  | 123,344   |
| Standard Mutual Insurance Co<br>1028 S. Grand Avenue West<br>Springfield, IL 62704                                       | 190,000   | *  | 0  | 14,147  |
| StarVest Convertible Securities Fund Ltd.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451            | 550,000   | *  | 0  | 42,400  |
| State National Insurance Co.<br>8220 Anderson Boulevard<br>Fort Worth, TX 76120  | 100,000   | *  | 0  | 7,709   |
| Teachers Insurance and Annuity Association of<br>America<br>730 Third Avenue<br>New York, NY 10017                       | 20,000,000  | 1%   | 0  | 1,541,800   |
| TQA Master Fund, Ltd.<br>405 Lexington Avenue<br>New York, NY 10174  | 13,600,000  | *  | 0  | 1,048,424   |

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|---|--|---|--|---|
| TQA Master Plus Fund, Ltd.<br>405 Lexington Avenue<br>New York, NY 10174  | 6,900,000  | *   | 0  | 531,921   |
| Triborough Partners International Ltd.<br>225 West 34th Street<br>Suite 1006<br>New York, NY 10122                                  | 4,436,000  | *   | 0  | 341,971   |
| Triborough Partners LLC<br>225 West 34th Street<br>Suite 1006<br>New York, NY 10122   | 1,664,000  | *   | 0  | 128,278   |
| Tuscarora Wayne Mutual Insurance Co.<br>P.O. Box 7<br>601 State Street<br>Wyalusing, PA 18853-0007                                  | 80,000   | *   | 0  | 6,167   |
| UBS AG London<br>100 Liverpool Street<br>London, England EC2M2RH  | 39,500,000   | 2%  | 0  | 3,045,055   |
| UBS O Connor LLC f/b/o O Connor Global<br>Convertible Arbitrage Master Ltd<br>One North Wacker Drive, Floor 32<br>Chicago, IL 60606 | 5,000,000  | *   | 0  | 385,450   |
| UBS O Connor LLC f/b/o O Connor Global<br>Convertible Portfolio<br>One North Wacker Drive, Floor 32<br>Chicago, IL 60606            | 400,000  | *   | 0  | 30,836  |
| United National Insurance Co.<br>3 Bala Plaza East Suite 300<br>Bala Cynwyd, PA 19004   | 800,000  | *   | 0  | 61,672  |
| Westbay International Corp.<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019                 | 451,000  | *   | 0  | 34,768  |
| Westward Insurance Company<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451                                      | 20,000   | *   | 0  | 1,542   |
| Westward Life Insurance Co.<br>4040 Paramount Boulevard<br>P.O. Box 6025<br>Lakewood, CA 90714-6025                                 | 110,000  | *   | 0  | 8,480   |

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|---|---|---|--|--|
| Wisconsin Lawyers Mutual Insurance Co.<br>49 Kessle Court<br>Madison, WI 53711  | 220,000   | *   | 0  | 16,960   |
| Wisconsin Mutual Insurance Co.<br>8201 Excelsior Drive<br>Madison, WI 53711   | 130,000   | *   | 0  | 10,022   |
| World Insurance Co.<br>1108 Grant<br>Omaha, NE 68164  | 440,000   | *   | 0  | 33,920   |
| Worldwide Transactions Ltd.<br>Washington Mall Phase 1<br>Church Street, 3rd Floor<br>Hamilton, HM 11, Bermuda            | 50,000  | *   | 0  | 3,855  |
| Xavex Convertible Arbitrage 2 Fund<br><br>3100 Tower Boulevard, Suite 1104<br>Durham, NC 27707                            | 400,000   | *   | 0  | 30,836   |
| Xavex Convertible Arbitrage 4 Fund<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870 | 160,000   | *   | 0  | 12,334   |
| Xavex Convertible Arbitrage 7 Fund<br>c/o TQA Investors LLC<br>333 Ludlow Street<br>1st Floor<br>Stamford, CT 06902       | 539,000   | *   | 0  | 41,552   |
| Xavex Convertible Arbitrage 10 Fund<br>3100 Tower Boulevard, Suite 1104<br>Durham, NC 27707                               | 800,000   | *   | 0  | 61,672   |
| Xavex Risk Arbitrage 5 Fund<br>c/o P. Schoenfeld Asset Mgt LLC<br>1330 Avenue of the Americas<br>New York, NY 10019       | 176,000   | *   | 0  | 13,568   |
| Zazove Convertible Arbitrage Fund, L.P.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451               | 3,500,000   | *   | 0  | 269,815  |
| Zazove Convertible Securities Fund Inc.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451               | 800,000   | *   | 0  | 61,672   |

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| Name and Address of Selling Security Holder   | Aggregate<br>Principal<br>Amount<br>At Maturity<br><br>of BUCS<br><br>That May Be<br>Sold (\$) | Percentage of<br><br>BUCS<br><br>Outstanding | Number of<br>BSkyB<br>Ordinary<br>Shares<br>Owned<br>Prior to<br>Exchange | Number of<br>BSkyB<br>Ordinary<br>Shares<br>Registered<br>Hereby <sup>(1)</sup> |
|---|--|--|---|---|
| Zazove Global Convertible Fund, L.P.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451  | 200,000  | *  | 0   | 15,418  |
| Zazove Hedged Convertible Fund, L.P.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451  | 3,000,000  | *  | 0   | 231,270   |
| Zazove Income Fund L.P.<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451   | 2,000,000  | *  | 0   | 154,180   |
| Zuger Kantonalbank<br>Banrerstr St.<br>CH-6301 Zug, Switzerland   | 70,000   | *  | 0   | 5,396   |
| Zuger Kulturstiftung Landis & Gyr<br>Zuger UB Baarerster 37<br>CH-6301 Zug, Switzerland   | 70,000   | *  | 0   | 5,396   |
| Zurich Institutional Benchmark<br>c/o Forest Investment Management LLC<br>53 Forest Avenue<br>Old Greenwich, CT 06870                           | 625,000  | *  | 0   | 48,181  |
| Zurich Institutional Benchmark Management c/o<br>Quattro Fund Quattro Global Capital, LLC<br>546 Fifth Avenue, 19th Floor<br>New York, NY 10036 | 900,000  | *  | 0   | 69,381  |
| Zurich Institutional Benchmarks<br>Master Fund<br>c/o TQA Investors LLC<br>333 Ludlow Street<br>1st Floor<br>Stamford, CT 06902                 | 405,000  | *  | 0   | 31,221  |
| Zurich Institutional Benchmarks<br>Master Fund<br>c/o Zazove Associates<br>940 Southwood Boulevard, Number 200<br>Incline Village, NV 89451     | 3,500,000  | *  | 0   | 269,815   |
| BUCS previously sold by selling security holders and not listed above   | 175,400,000  | 11%  | 0   | 13,521,586  |
| All other holders of BUCS or future transferees, pledgees, donees or<br>successors and any such holders <sup>(2)</sup>                          | 246,366,000  | 15%  | 0   | 18,992,355  |
| <b>Total</b>  | <b>\$ 1,655,000,000</b>  | <b>100%</b>                                  | <b>584,078</b>  | <b>127,583,950</b>  |

\* Less than one percent (1%)

<sup>(1)</sup> Represents the number of BSkyB ordinary shares issuable upon exchange of the BUCS. In addition to the shares issuable upon exchange, News Corporation may elect to deliver BSkyB ordinary shares upon redemption of the BUCS and, in the case of redemption at the option of the holder, may elect to deliver News Corporation Class A common shares. The number of BSkyB ordinary shares or News Corporation

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Class A common shares issuable upon redemption cannot be determined at this time and will be based upon the average daily volume weighted average price of the BSkyB ordinary shares or the News Corporation Class A common shares during the relevant measurement period preceding the redemption date.

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- <sup>(2)</sup> Assumes for this purpose that such other holders of BUCS, or any future transferees, pledgees, donees or successors of or from such other holders of BUCS, do not beneficially own any BSKyB ordinary shares other than the BSKyB ordinary shares constituting the initial reference shares issuable upon exchange of the BUCS.

To the knowledge of News America and News Corporation, and based on certain representations made by the selling security holders, none of the selling security holders has held any position or office or had any other material relationship within the past three years with News America, the trust, News Corporation, BSKyB or any subsidiary guarantor, or any of their respective predecessors or affiliates.

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**PLAN OF DISTRIBUTION**

We are registering the BUCS and the other offered securities covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus.

We will not receive any of the proceeds from the offering of the offered securities by the selling security holders. We have been advised by the selling security holders that the selling security holders may sell all or a portion of the offered securities beneficially owned by them and offered hereby from time to time:

directly; or

through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or concessions from the selling security holders or from the purchasers of the offered securities for whom they may act as agent.

The offered securities may be sold from time to time in one or more transactions at:

fixed prices;

prevailing market prices at the time of sale;

varying prices determined at the time of sale; or

negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers, who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling security holders from the sale of the offered securities offered by them hereby will be the purchase price of the offered securities less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

on any national securities exchange or quotation service on which the BUCS, the BSKyB ordinary shares, the News Corporation Class A common shares and the News Corporation CDIs representing an interest in underlying Class A or Class B common shares (as applicable) may be listed or quoted at the time of sale, including the London Stock Exchange in the case of the BSKyB ordinary shares, the New York Stock Exchange and the London Stock Exchange in the case of the News Corporation Class A common shares, and the Australian Stock Exchange in the case of CDIs representing an interest in underlying News Corporation Class A or Class B common shares (as applicable);

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in the over-the-counter market;

in transactions otherwise than on such exchanges or services or in the over-the-counter market; or

through the writing of options.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with sales of the offered securities, the selling security holders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the offered securities, in the course of hedging their positions. The selling security holders may also sell the offered securities short and deliver the offered securities to close out short positions, or loan or pledge the offered securities to broker-dealers that in turn may sell the offered securities.



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To our knowledge, there are currently no plans, arrangements or understandings between any selling security holders and any underwriter, broker-dealer or agent regarding the sale of the offered securities by the selling security holders. Selling security holders may not sell any, or may not sell all, of the offered securities offered by them pursuant to this prospectus. In addition, we cannot assure you that a selling security holder will not transfer, devise or gift the offered securities by other means not described in this prospectus. In addition, any securities covered by this prospectus that qualify for sale pursuant to Rule 144 or Rule 144A of the Securities Act may be sold under Rule 144 or Rule 144A rather than pursuant to this prospectus.

There has been no trading market for the BUCS except for purchases and sales, if any, by institutional holders pursuant to Rule 144A. No assurance can be given that any market for the BUCS will develop or continue, or with respect to the liquidity of any present or future market for the BUCS, or that any holder of BUCS will be able to sell the BUCS in the future, or that any sale will be at a price equal to or higher than the price paid for such BUCS. If BUCS are traded, they may trade at a discount from the price paid for such BUCS, depending on prevailing interest rates and other factors. The BUCS are not listed, and we do not intend to list the BUCS, on any securities exchange or on any automated dealer quotation system. Any absence of an active trading market for the BUCS will adversely affect the liquidity of the BUCS. The BSkyB ordinary shares are listed and will trade on the London Stock Exchange in due course, and the News Corporation Class A common shares are listed and trade on the New York Stock Exchange and on the London Stock Exchange. CHESS Depository Instruments ( CDIs ) representing underlying shares of News Corporation Class A common shares or Class B non-voting common shares (as applicable) will trade on the Australian Stock Exchange. In addition, American Depositary Shares, each representing four BSkyB ordinary shares, are listed and trade on the New York Stock Exchange.

The selling security holders and any broker and any broker-dealers, agents or underwriters that participate with the selling security holders in the distribution of the offered securities may be deemed to be underwriters within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any profit on the resale of the offered securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling security holders may be deemed to be underwriting commissions.

In order to comply with certain state securities laws, if applicable, the BUCS will be sold in such jurisdictions only through registered or licensed brokers or dealers. In certain states the BUCS may not be sold unless the BUCS have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The BUCS were issued and sold on March 21 and 25, 2003 and April 2, 2003, in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the initial purchasers of the BUCS to be qualified institutional buyers, as defined in Rule 144A under the Securities Act.

The selling security holders and any other persons participating in such distribution will be subject to the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the BUCS by the selling security holders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the BUCS to engage in market-making activities with respect to the particular BUCS being distributed for a period of up to five business days prior to the commencement of the distribution. This may affect the marketability of the BUCS and the Class A common shares and the ability of any person or entity to engage in market-making activities with respect to the BUCS.

Pursuant to a registration rights agreement, dated as of March 21, 2003, by and among News America, News Corporation, the trust, the subsidiary guarantors and the representatives of the initial purchasers of the BUCS, we have agreed, among other things, to bear all expenses, other than fees of counsel to underwriters, if any, underwriting discounts and selling commissions, broker-dealer fees and commissions and transfer taxes and certain other items in connection with the registration and sale of the offered securities covered by this prospectus. News

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America, News Corporation and the trust were required, pursuant to the registration rights agreement, to prepare and file with the Commission the registration statement of which this prospectus forms a part, pursuant to Rule 415 under the Securities Act, with respect to the offered securities.

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We will use our reasonable efforts to keep the registration statement of which this prospectus is a part effective, subject to specified, permitted exceptions, until the earlier of:

two years following the later of (i) the original issue date of the BUCS or (ii) the issue date of the BUCS issued on the exercise of the initial purchasers' option to purchase additional BUCS; and

the date on which all the offered securities (other than the News Corporation Class A common shares) covered by that registration statement have been sold under that registration statement.

News Corporation is also required to use its reasonable best efforts to cause BSKyB to use its reasonable best efforts to cause the registration statement of which this prospectus is a part to remain effective with respect to the BSKyB ordinary shares deliverable upon exchange or redemption of the BUCS and debentures.

Pursuant to the registration rights agreement, News America, the trust and News Corporation have agreed to jointly and severally indemnify the selling security holders against certain civil liabilities, including certain liabilities under the Securities Act. In addition, each selling security holder has agreed to severally indemnify the News America, the trust, the subsidiary guarantors, BSKyB, the initial purchasers of the BUCS and News Corporation against certain civil liabilities, including certain liabilities under the Securities Act. The registration rights agreement also provides for rights of contribution in circumstances in which indemnification is held to be unavailable.

The BUCS are not being offered, nor will any invitation to purchase or subscribe for BUCS be issued, in Australia other than to a person referred to in Section 708(11) of, and otherwise in compliance with, the Corporations Law.

A holder of the offered securities (i) may not offer or sell any offered securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995; (ii) must comply with all applicable provisions of the Public Offers of Securities Regulations 1995 and the Financial Services Act 1986 with respect to anything done by it in relation to any such offered securities in, from or otherwise involving the United Kingdom; and (iii) may only issue or pass on to persons in the United Kingdom any document relating to the offered securities if that person is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 of Great Britain or is a person to whom the document may otherwise lawfully be issued or passed on and that person falls within paragraph 1.04 of the Financial Services (Promotion of Unregulated Schemes) Regulations 1991.

## **LEGAL MATTERS**

Certain legal matters in connection with the BUCS have been passed upon for News America by Hogan & Hartson L.L.P. and for the selling security holders by Kirkland & Ellis. Kirkland & Ellis has from time to time rendered legal advisory services to News Corporation and its affiliates. Certain legal matters will be passed upon for News Corporation, a Delaware corporation, by Hogan & Hartson L.L.P. Certain matters of Delaware law relating to the trust and the BUCS have been passed upon for the trust by Morris, Nichols, Arshat & Tunnell, as special Delaware counsel. Various legal matters with respect to the guarantees have been passed upon by Hogan & Hartson L.L.P. with respect to the subsidiary guarantors except for certain legal matters in connection with the guarantee by News Australia Holdings Pty Ltd which will be passed upon for News Australia Holdings Pty Ltd by Allens Arthur Robison. Certain legal matters in connection with the BSKyB ordinary shares have been passed upon for BSKyB by Herbert Smith. Allens Arthur Robison have been involved only in the preparation of the advice specifically

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attributed to them in the section entitled "Enforceability of Civil Liabilities Under the Federal Securities Laws and Foreign Exchange Rates Exchange Controls and Other Limitations Affecting Holders." Allens Arthur Robinson have not, however, been involved in the preparation of the remaining content of this document and are not to be regarded as accepting responsibility as experts for any matters other than those on which they have advised as aforesaid.

### **EXPERTS**

The consolidated financial statements of News Corporation appearing in News Corporation's Annual Report on Form 8-K for the year ended June 30, 2004, have been audited by Ernst & Young LLP, independent registered

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public accounting firm, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements of Fox Entertainment Group, Inc. and subsidiaries appearing in News Corporation's Annual Report on Form 8-K for the year ended June 30, 2004, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements incorporated in this prospectus by reference from British Sky Broadcasting Group plc's Annual Report on Form 20-F have been audited by Deloitte & Touche LLP, an independent registered public accounting firm as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Gemstar-TV Guide International, Inc. appearing in News Corporation's Annual Report on Form 8-K for the year ended June 30, 2004, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

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We have not authorized any dealer or salesperson or other person to give any information or represent anything not contained in this prospectus. You must not rely on any unauthorized information. This prospectus does not constitute an offer to sell or buy any securities in any jurisdiction where it is unlawful. The information in this prospectus is current only as of the date of this prospectus unless the information specifically indicates that another date applies.

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**US\$1,655,000,000**

**News Corporation Finance Trust II**

**0.75% Senior Exchangeable BUCS<sup>SM</sup>**

(original liquidation preference US \$1,000 per BUCS)

exchangeable into the ordinary shares of British Sky Broadcasting Group plc or

the cash value thereof and guaranteed on a senior basis by

**News Corporation**

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**PROSPECTUS**

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**November 24, 2004**

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**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**ITEM 8 OF FORM F-3 and ITEM 15 OF FORM S-3**

**INDEMNIFICATION OF DIRECTORS AND OFFICERS**

News America, News Corporation and Fox Entertainment are each governed by the laws of the state of Delaware. Section 145 of the General Corporation Law of the State of Delaware, or the DGCL, provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful, provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such an indemnification is proper under the circumstances.

**With Respect to News America Incorporated**

News America's Amended and Restated Certificate of Incorporation provides that News America shall indemnify its directors and officers to the fullest extent permitted by the DGCL.

News America's Amended and Restated Certificate of Incorporation also provides that no director shall be liable to News America or its stockholders for monetary damages for breach of his fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to News America or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction in which the director derived an improper personal benefit.

News Corporation maintains insurance on behalf of its officers and directors and officers and directors of its subsidiaries, including News America, against any liability which may be asserted against any such officer or director, subject to certain customary exclusions.

**With Respect to News Corporation**

Delaware General Corporation Law, Section 102(b)(7), enables a corporation in its original certificate of incorporation, or an amendment thereto validly approved by stockholders, to eliminate or limit personal liability of members of its Board of Directors for violations of a director's

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fiduciary duty of care. However, the elimination or limitation shall not apply where there has been a breach of the duty of loyalty, failure to act in good faith, intentional misconduct or a knowing violation of a law, the payment of a dividend or approval of a stock repurchase which is deemed illegal or an improper personal benefit is obtained.

News Corporation's Restated Certificate of Incorporation provides that a director shall not be liable to News Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended

The Amended and Restated By-laws of News Corporation provide, generally, that, to the fullest extent permitted by the DGCL, as it exists or may in the future be amended, News Corporation will indemnify each person who was or is made a party to, or is threatened to be made a party to or who is otherwise involved in, any action, suit, or proceeding, whether civil, criminal or otherwise, by reason of the fact that he or she is or was a director or officer of News Corporation or any of its subsidiaries or is or was serving at the request of News Corporation as a director or officer of any other corporation, partnership or other enterprise, whether the basis of such action, suit or



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proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer (and may indemnify, to the extent authorized by the Board, any officer, employee or agent of News Corporation), against all expense, liability, and loss reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to such person who has ceased to be a director, officer, employee or agent, as the case may be, and shall inure to the benefit of the indemnitee's heirs, executors, and administrators.

News Corporation maintains insurance on behalf of its officers and directors.

Article VII of News Corporation's Restated Certificate of Incorporation includes the following language:

### **ARTICLE VII- INDEMNIFICATION**

#### **Section 1. Indemnification.**

Each person who was or is made a party to or is threatened to be made a party to or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or any of its direct or indirect subsidiaries or is or was serving at the request of the Corporation as a director or officer of any other corporation or of a partnership, limited liability company, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or in any other capacity while serving as a director, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against all expense, liability, and loss (including attorneys' fees, judgments, fines, excise or other taxes assessed with respect to an employee benefit plan, penalties, and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a director and shall inure to the benefit of the indemnitee's heirs, executors, and administrators; provided, however, that, except as provided in Section 3 of this ARTICLE VII with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

#### **Section 2. Advancement of Expenses.**

The Corporation shall to the fullest extent not prohibited by applicable law pay the reasonable expenses (including reasonable attorneys' fees) incurred by indemnitee in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that no such advancement of expenses shall be made except upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision or order from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this ARTICLE VII or otherwise.

#### **Section 3. Indemnification of Other Persons.**

The Corporation may, to the extent authorized from time to time by the Board, grant indemnification rights and rights to the advancement of expenses to any officer, employee or agent of the Corporation to the fullest extent of the provision of this ARTICLE VII and as permitted by the

DGCL with respect to the indemnification and advancement of expenses to directors.

**With Respect to Fox Entertainment Group, Inc.**

Delaware General Corporation Law, Section 102(b)(7), enables a corporation in its original certificate of incorporation, or an amendment thereto validly approved by stockholders, to eliminate or limit personal liability of members of its Board of Directors for violations of a director's fiduciary duty of care. However, the elimination or limitation shall not apply where there has been a breach of the duty of loyalty, failure to act in good faith, intentional

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misconduct or a knowing violation of a law, the payment of a dividend or approval of a stock repurchase which is deemed illegal or an improper personal benefit is obtained.

The Restated Certificate of Incorporation and Amended Bylaws of Fox Entertainment Group, Inc., or FEG, provide that, to the fullest extent permitted by the DGCL, as it exists or may in the future be amended, FEG will indemnify each of the officers and directors of FEG (or their estates, if applicable), and may indemnify any employee or agent of FEG (or their estates, if applicable), who is or was a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, by reason of the fact that such person is or was an officer, director, employee or agent of FEG or is or was serving at the request of FEG as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. FEG will so indemnify such officer or director, and may so indemnify such employee or agent (if indemnification is authorized by the Board of Directors), in the case of such actions (whether or not by or in the right of FEG) if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of FEG, and with respect to any criminal action or proceeding other than by or in the right of FEG, had no reasonable cause to believe such person's conduct was unlawful. With respect to indemnification other than by or in the right of FEG, the termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of FEG, and, with respect to any criminal action or proceeding, that such person had reasonable cause to believe that such person's conduct was unlawful. No indemnification will be made in connection with actions by or in the right of FEG in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of such person's duty to FEG unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court deems proper. In addition, to the fullest extent permitted by DGCL, expenses (including attorneys' fees), judgments, fines incurred by and amounts paid in settlement may be advanced by us prior to the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on the behalf of such director, officer, employee or agent to repay such amounts if it shall ultimately be determined that he or she is not entitled to be indemnified as authorized in accordance with the DGCL and our Restated Certificate of Incorporation. FEG's Restated Certificate of Incorporation and Amended Bylaws also state that such indemnification is not exclusive of any other rights of the indemnified party, including rights under any indemnification agreements or otherwise.

News Corporation maintains insurance on behalf of its officers and directors and officers and directors of its subsidiaries, including FEG, against any liability which may be asserted against any such officer or director, subject to certain customary exclusions.

Article X of FEG's Restated Certificate of Incorporation includes the following language:

**INDEMNIFICATION; LIMITATION OF LIABILITY.**

**Section 1. Indemnification.**

A. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director of the Corporation or any of its direct or indirect subsidiaries or is or was serving at the request of the Corporation as a director of any other corporation or of a partnership, limited liability company, joint venture, trust, or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or in any other capacity while serving as a director, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability, and loss (including attorneys' fees, judgments, fines, excise or other taxes assessed with respect to an employee benefit plan, penalties, and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an

indemnitee who has ceased to be a director and shall inure to the benefit

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of the indemnitee's heirs, executors, and administrators; provided, however, that, except as provided in Paragraph B of this Section 1 with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

B. The right to indemnification conferred in Paragraph A of this Section 1 shall include the right to be paid by the Corporation the expenses incurred in defending any proceeding for which such right to indemnification is applicable in advance of its final disposition (hereinafter an advancement of expenses); provided, however, that, if the DGCL requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an undertaking), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a final adjudication) that such indemnitee is not entitled to be indemnified for such expenses under this Section 1 or otherwise.

C. The rights to indemnification and to the advancement of expenses conferred in Paragraphs A and B of this Section 1 shall be contract rights. If a claim under Paragraph A or B of this Section 1 is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by an indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL, and (ii) any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Section 1 or otherwise, shall be on the Corporation.

D. The rights to indemnification and to the advancement of expenses conferred in this Section 1 shall not be exclusive of any right which any person may have or hereafter acquire under any statute, this certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors, or otherwise.

E. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability, or loss under the DGCL.

F. The Corporation's obligation, if any, to indemnify any person who was or is serving as a director of any direct or indirect subsidiary of the Corporation or, at the request of the Corporation, of any other corporation or of a partnership, joint venture, trust, or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust or other enterprise.

G. Any repeal or modification of the foregoing provisions of this Section 1 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

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H. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant indemnification rights and rights to the advancement of expenses to any officer, employee or agent of the Corporation to the fullest extent of the provision of this Article with respect to the indemnification and advancement of expenses to directors.

### **Section 2. Limited Liability.**

No director of the Corporation shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision does not eliminate the liability of the director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of Title B of the Delaware Code, or (iv) for any transaction from which the director derived an improper personal benefit. For purposes of the prior sentence, the term "damages" shall, to the extent permitted by law, include without limitation, any judgment, fine, amount paid in settlement, penalty, punitive damages, excise or other tax assessed with respect to an employee benefit plan, or expense of any nature (including, without limitation, counsel fees and disbursements). Each person who serves as a director of the Corporation while this Section 2 is in effect shall be deemed to be doing so in reliance on the provisions of this Section 2, and neither the amendment or repeal of this Section 2, nor the adoption of any provision of this Restated Certificate of Incorporation inconsistent with this Section 2, shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for, arising out of, based upon, or in connection with any acts or omissions of such director occurring prior to such amendment, repeal, or adoption of an inconsistent provision. The provisions of this Section 2 are cumulative and shall be in addition to and independent of any and all other limitations on or eliminations of the liabilities of directors of the Corporation, as such, whether such limitation or eliminations arise under or are created by any law, rule, regulation, by-law, agreement, vote of stockholders or disinterested directors, or otherwise.

### **With Respect to BSKyB**

With respect to BSKyB, except as hereinafter provided, there is no provision of BSKyB's Memorandum and Articles of Association or any contract, arrangement or statute under which any director or officer of BSKyB is insured or indemnified in any manner against any liability that he may incur in his capacity as such.

The Articles of Association of BSKyB provide that, subject to the provisions of the Companies Act, every director or other officer or auditor of BSKyB shall be indemnified out of the assets of BSKyB against any liability, loss or expenditure incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or auditor of BSKyB to the extent permitted by section 310 of the Companies Act.

The Board may exercise all the powers of BSKyB to purchase and maintain insurance for the benefit of a person who is a present or former director or other officer, or employee of BSKyB or of a company which is a subsidiary of BSKyB or in which BSKyB has an interest (whether direct or indirect), or who is or was trustee of a retirement benefit scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability which may attach to him or loss of expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as a director or officer.

Section 310 of the Companies Act 1985 provides:

(1)

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This section applies to any provision, whether contained in a company's articles or in any contract with the company or otherwise, for exempting any officer of the company or any person (whether an officer or not) employed by the company as auditor from, or indemnifying him against, any liability which by virtue of any rule of law would otherwise attach to him in respect to any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the company.

- (2) Except as provided by the following subsection, any such provision is void.



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- (3) This section does not prevent a company:
- (a) from purchasing and maintaining for any such officer or auditor insurance against any such liability, or
  - (b) from indemnifying any such officer or auditor against any liability incurred by him
    - (i) in defending any proceedings (whether civil or criminal) in which judgment is given in his favor or he is acquitted, or
    - (ii) in connection with any application under section 144(3) or (4) (acquisition of shares by innocent nominee) or section 727 (general power to grant relief in case of honest and reasonable conduct) in which relief is granted to him by the court.

Section 727 of the Companies Act 1985 provides:

- (1) If any proceedings for negligence, default, breach of duty or breach of trust against an officer of a company or a person employed by a company as auditor (whether he is or is not an officer of the company) it appears to the court hearing the case that the officer or person is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that having regard to all the circumstances of the case (including those connected with his appointment) he ought fairly to be excused for the negligence, default breach of duty or breach of trust, that court may relieve him, either wholly or partly, from his liability on such terms as the court thinks fit.
- (2) If any such officer or person as above-mentioned has reason to apprehend that any claim will or might be made against him in respect of any negligence, default, breach of duty or breach of trust, he may apply to the court for relief; and the court on the application has the same power to relieve him as under this section it would have had, if it had been a court before which proceedings against that person for negligence, default, breach of duty or breach of trust had been brought.
- (3) Where a case to which subsection (1) applies is being tried by a judge, with a jury, the judge, after hearing the evidence, may, if he is satisfied that the defendant or defender ought in pursuance of that subsection to be relieved either in whole or in part from the liability sought to be enforced against him, withdraw the case in whole or in part from the jury and forthwith direct judgment to be entered for the defendant or defender on such terms as to costs or otherwise as the judge may think proper.

**BSkyB has obtained a policy of directors and officers liability insurance and of pension trustees liability insurance.**

Pursuant to the registration rights agreement, News America, the trust and News Corporation have agreed to jointly and severally indemnify the selling security holders against certain civil liabilities, including certain liabilities under the Securities Act. In addition, each selling security holder has agreed to severally indemnify the News America, the trust, the subsidiary guarantors, BSKyB, the initial purchasers and New Corporation against certain civil liabilities, including certain liabilities under the Securities Act. The registration rights agreement also provides for rights of contribution.

**Table of Contents****ITEM 9 OF FORM F-3 and ITEM 16 OF FORM S-3****EXHIBITS**

| <b>Number</b> | <b>Description</b>  | <b>Exhibit No.<br/>in Document<br/>Incorporated<br/>by Reference</b> |
|---------------|---|--|
| 4.1           | Indenture, dated as of March 21, 2003, by and among News America Incorporated, The News Corporation Limited, the other Guarantors named therein and The Bank of New York, as Trustee  | **   |
| 4.2           | First Supplemental Indenture, dated as of June 27, 2003, by and among News America Incorporated, The News Corporation Limited, the other Guarantors named therein and The Bank of New York, as Trustee  | **   |
| 4.3           | Second Supplemental Indenture, dated as of November 12, 2004 by and among News America Incorporated, News Corporation, News Holdings Limited (formerly known as The News Corporation Limited), the other Guarantors named therein and The Bank of New York, as Trustee                    | *  |
| 4.4           | Registration Rights Agreement, dated as of March 21, 2003, by and among The News Corporation Limited, News America Incorporated, News Corporation Finance Trust II, Salomon Smith Barney Inc. and J.P. Morgan Securities Inc.   | **   |
| 4.5           | Amended and Restated Declaration of Trust of News Corporation Finance Trust II, dated March 21, 2003, among News America Incorporated, as Sponsor, The Bank of New York (Delaware), as Delaware Trustee, The Bank of New York as Property Trustee, and the Regular Trustees named therein | **   |
| 4.6           | Preferred Securities Guarantee Agreement, dated March 21, 2003, among The News Corporation Limited, as Guarantor, and The Bank of New York, as Preferred Guarantee Trustee for the benefit of the Holders of the Preferred Securities of News Corporation Finance Trust II                | **   |
| 4.7           | Specimen Certificate for Senior Exchangeable BUCS   | **   |
| 4.8           | Specimen Certificate for 0.75% Senior Exchangeable Debentures   | **   |
| 4.9           | Restated Certificate of Incorporation of News Corporation, dated November 22, 2004 (Incorporated by reference to Exhibit 3.1 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 24, 2004)           | **   |
| 4.10          | Amended and Restated By-laws of News Corporation, dated October 7, 2004 (Incorporated by reference to Exhibit 3.4 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 12, 2004)                      | **   |

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|------|--|-----|
| 4.11 | Form of Class A common shares of News Corporation (Incorporated by reference to Exhibit 4.1 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 24, 2004)   | **  |
| 4.12 | Memorandum and Articles of Association of British Sky Broadcasting Group plc (Incorporated by reference to Exhibit A to the Report on Form 6-K of British Sky Broadcasting Group plc filed with the Securities and Exchange Commission on August 18, 2003)                                     | **  |
| 4.13 | Specimen share certificate of British Sky Broadcasting Group plc (Incorporated by reference to Exhibit 2 to the Annual Report on Form 20-F of British Sky Broadcasting Group plc for the fiscal year ended June 30, 2001 filed with the Securities and Exchange Commission on October 1, 2001) | **  |
| 5.1  | Opinion of Hogan & Hartson L.L.P. with respect to News Corporation   | *** |
| 5.2  | Opinion of Allens Arthur Robinson with respect to TNCL (Incorporated by reference to Exhibit 5.1 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)  | **  |
| 5.3  | Opinion of Hogan & Hartson L.L.P. with respect to News America Incorporated (Incorporated by reference to Exhibit 5.2 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)   | **  |
| 5.4  | Opinion of Hogan & Hartson L.L.P. with respect to the Guarantors (Incorporated by reference to Exhibit 5.3 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)  | **  |
| 5.5  | Opinion of Herbert Smith with respect to British Sky Broadcasting Group plc (Incorporated by reference to Exhibit 5.4 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)   | **  |
| 5.6  | Opinion of Morris, Nichols, Arsht & Tunnell with respect to News Corporation Finance Trust II (Incorporated by reference to Exhibit 5.5 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)                         | **  |
| 5.7  | Opinion of Allens Arthur Robinson with respect to News Australia Holdings Pty Ltd  | *** |
| 8.1  | Opinion of Hogan & Hartson L.L.P. with respect to certain U.S. federal income tax consequences   | **  |
| 12.1 | Ratio of Earnings to Fixed Charges of News Corporation   | *   |
| 12.2 | Ratio of Earnings to Fixed Charges of Fox Entertainment Group, Inc.  | *   |
| 23.1 | Consent of Ernst & Young LLP regarding News Corporation  | *   |
| 23.2 | Consent of Ernst & Young LLP regarding Fox Entertainment Group, Inc.   | *   |
| 23.3 | Consent of Deloitte & Touche LLP regarding British Sky Broadcasting Group plc  | *   |
| 23.4 | Consent of Ernst & Young LLP regarding Gemstar-TV Guide International, Inc.  | *   |

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|      |  |    |
|------|--|----|
| 23.5 | Consent of Allens Arthur Robinson (included in Exhibit 5.2)  | ** |
| 23.6 | Consent of Hogan & Hartson L.L.P. (included in Exhibits 5.1, 5.3, 5.4 and 8.1)   | ** |
| 23.7 | Consent of Herbert Smith (included in Exhibit 5.6)   | ** |
| 23.8 | Consent of Morris, Nichols, Arsht & Tunnell (included in Exhibit 5.7)  | ** |
| 24.1 | Powers of Attorney   | ** |
| 24.2 | Power of Attorney for British Sky Broadcasting Group plc   | *  |
| 25.1 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Indenture Trustee under the Indenture   | ** |
| 25.2 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Property Trustee under the Amended and Restated Declaration of Trust of News Corporation Finance Trust II | ** |
| 25.3 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Trustee under the Preferred Securities Guarantee for News Corporation Finance Trust II                    | ** |

\* Filed herewith.

\*\* Previously filed.

\*\*\* To be filed by amendment.

**ITEM 10 OF FORM F-3 and ITEM 17 OF FORM S-3**

**UNDERTAKINGS**

**With Respect to News America Incorporated, News Corporation and the Subsidiary Guarantors**

The undersigned registrants hereby undertake:

1. (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities being offered would not exceed that which was registered) and any deviation from the high or low end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price

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represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

*Provided, however,* that paragraphs (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the

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Commission by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, that are incorporated by reference in this registration statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons, each of the registrants have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

4. The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

### **With Respect to British Sky Broadcasting Group plc**

The undersigned registrant hereby undertakes:

1. (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities being offered would not exceed that which was registered) and any deviation from the high or low end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

*Provided, however,* that paragraphs (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the

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Commission by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, that are incorporated by reference in this registration statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) to file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A. of Form 20-F at the start of any delayed offering or throughout a continuous offering. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

2. The undersigned registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons, each of the registrants have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

4. The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

**With Respect to Fox Entertainment Group, Inc.**

The undersigned registrant hereby undertakes:



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1. (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities being offered would not exceed that which was registered) and any deviation from the high or low end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20

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percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

*Provided, however,* that paragraphs (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrants pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, that are incorporated by reference in this registration statement.

(2) that, for the purpose of determining any liability under the Securities Act of 1933, as amended, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons, each of the registrants have been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of such registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

4. The undersigned registrants hereby undertake to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Act.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November.

NEWS AMERICA INCORPORATED

By: \*  
**Peter Chernin**  
**Chairman and Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>          | <u>Title</u>   |
|---------------------------|--|
| *                         | Director, Chairman and Chief Executive   |
| <b>Peter Chernin</b>      | Officer (Principal Executive Officer)  |
| *                         | Director, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| <b>David F. DeVoe</b>     |  |
| *                         | Director   |
| <b>K. Rupert Murdoch</b>  |  |
| *                         | Director   |
| <b>Lachlan K. Murdoch</b> |  |
| *                         | Director   |
| <b>Arthur M. Siskind</b>  |  |
| *                         | Director   |
| <b>Paul V. Carlucci</b>   |  |
| *                         | Director   |
| <b>Anthea Disney</b>      |  |

\*

Director

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**Stanley Shuman**

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\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By:                    /s/ Arthur M. Siskind  
                          Arthur M. Siskind  
                          Attorney-in-fact

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

NEWS HOLDINGS LIMITED

By: \*  
**K. Rupert Murdoch**

**Chairman and Chief Executive**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>   | <u>Title</u>  |
|--|---|
| *<br>_____<br><b>K. Rupert Murdoch</b>                   | Director, Chairman and Chief Executive (Principal Executive Officer)                                |
| *<br>_____<br><b>David F. DeVoe</b>                      | Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| *<br>_____<br><b>Peter Chernin</b>                       | Director  |
| *<br>_____<br><b>Lachlan K. Murdoch</b>                  | Director  |
| *<br>_____<br><b>Arthur M. Siskind</b>                   | Director  |
| /s/ Peter J. Macourt<br>_____<br><b>Peter J. Macourt</b> | Director  |

\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By: /s/ Arthur M. Siskind  
Arthur M. Siskind  
  
Attorney-in-fact

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

NEWS CORPORATION

By: */s/ K. Rupert Murdoch*  
**K. Rupert Murdoch**

**Chairman and Chief Executive Officer**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints K. Rupert Murdoch, David F. DeVoe and Arthur M. Siskind, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all pre- or post-effective amendments to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>                      | <u>Title</u>  |
|---------------------------------------|---|
| <i>/s/ K. Rupert Murdoch</i><br>_____ | Director, Chairman and Chief Executive Officer (Principal Executive Officer)                        |
| <b>K. Rupert Murdoch</b>              |   |
| <i>/s/ David F. DeVoe</i><br>_____    | Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| <b>David F. DeVoe</b>                 |   |
| _____                                 | Director  |
| <b>Chase Carey</b>                    |   |
| <i>/s/ Peter Chernin</i><br>_____     | Director  |



**Peter Chernin**

/s/ Lachlan K. Murdoch

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Director

**Lachlan K. Murdoch**

/s/ Arthur M. Siskind

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Director

**Arthur M. Siskind**

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|                               |          |
|-------------------------------|----------|
| <i>/s/ Peter Barnes</i>       | Director |
| <b>Peter Barnes</b>           |          |
| <i>/s/ Kenneth E. Cowley</i>  | Director |
| <b>Kenneth E. Cowley</b>      |          |
| <i>/s/ Viet Dinh</i>          | Director |
| <b>Viet Dinh</b>              |          |
|                               | Director |
| <b>Roderick I. Eddington</b>  |          |
| <i>/s/ Andrew S.B. Knight</i> | Director |
| <b>Andrew S. B. Knight</b>    |          |
| <i>/s/ Thomas J. Perkins</i>  | Director |
| <b>Thomas J. Perkins</b>      |          |
| <i>/s/ Stanley S. Shuman</i>  | Director |
| <b>Stanley S. Shuman</b>      |          |
| <i>/s/ John L. Thornton</i>   | Director |
| <b>John L. Thornton</b>       |          |

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

NEWS AUSTRALIA HOLDINGS PTY LTD

By: */s/* K. Rupert Murdoch  
**K. Rupert Murdoch**

**Chairman and Chief Executive Officer**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints K. Rupert Murdoch, David F. DeVoe and Arthur M. Siskind, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all pre- or post-effective amendments to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>  | <u>Title</u>  |
|---|---|
| <i>/s/</i> K. Rupert Murdoch<br>_____<br><b>K. Rupert Murdoch</b> | Director, Chairman and Chief Executive Officer (Principal Executive Officer)                        |
| <i>/s/</i> David F. DeVoe<br>_____<br><b>David F. DeVoe</b>       | Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| <i>/s/</i> Peter Chernin<br>_____<br><b>Peter Chernin</b>         | Director  |
| <i>/s/</i> Lachlan K. Murdoch                                     | Director  |

**Lachlan K. Murdoch**

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*/s/* Arthur M. Siskind

Director

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**Arthur M. Siskind**

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*/s/* Peter Macourt

Director

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**Peter J. Macourt**

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

FEG HOLDINGS, INC.

By: \*  
**Peter J. Macourt**  
**President**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>                    | <u>Title</u>  |
|-------------------------------------|---|
| *<br><hr/> <b>Peter J. Macourt</b>  | Director and President (Principal Executive Officer)  |
| *<br><hr/> <b>David F. DeVoe</b>    | Senior Executive Vice President (Principal Financial Officer<br>and Principal Accounting Officer) |
| *<br><hr/> <b>Leslie F. Hinton</b>  | Director  |
| *<br><hr/> <b>K. Rupert Murdoch</b> | Director  |

\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By: */s/ Arthur M. Siskind*  
Arthur M. Siskind  
  
Attorney-in-fact



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

NEWS AMERICA MARKETING FSI, INC.

By: \*  
**K. Rupert Murdoch**  
**Chairman**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated November 24, 2004.

| <u>Signature</u>   | <u>Title</u>   |
|--|--|
| <hr style="border: 0.5px solid black;"/> <p style="text-align: center;">*</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: center;"><b>K. Rupert Murdoch</b></p> | <p>Director and Chairman of the Board (Principal Executive Officer)</p>                                    |
| <hr style="border: 0.5px solid black;"/> <p style="text-align: center;">*</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: center;"><b>David F. DeVoe</b></p>    | <p>Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)</p> |
| <hr style="border: 0.5px solid black;"/> <p style="text-align: center;">*</p> <hr style="border: 0.5px solid black;"/> <p style="text-align: center;"><b>Arthur M. Siskind</b></p> | <p>Director</p>  |

\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By: /s/ Arthur M. Siskind  
Arthur M. Siskind  
Attorney-in-fact



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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 25<sup>th</sup> day of November, 2004.

NEWS PUBLISHING AUSTRALIA LIMITED

By: \*  
**K. Rupert Murdoch**  
**Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>                        | <u>Title</u>  |
|---|---|
| *<br>_____<br><b>K. Rupert Murdoch</b>  | Director and Chief Executive Officer (Principal Executive Officer)                                  |
| *<br>_____<br><b>David F. DeVoe</b>     | Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| *<br>_____<br><b>Peter Chernin</b>      | Director  |
| *<br>_____<br><b>Lachlan K. Murdoch</b> | Director  |
| *<br>_____<br><b>Arthur M. Siskind</b>  | Director  |

\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By: /s/ Arthur M. Siskind  
Arthur M. Siskind

Attorney-in-fact

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

NEWS CORPORATION FINANCE TRUST II

By: /s/ Arthur M. Siskind  
**Arthur M. Siskind**

**Regular Trustee**

By: /s/ David F. DeVoe  
**David F. DeVoe**

**Regular Trustee**

By: /s/ Paula M. Wardynski  
**Paula M. Wardynski**

**Regular Trustee**

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Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

FOX ENTERTAINMENT GROUP, INC.

By: \*  
**K. Rupert Murdoch**

**Chairman and Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>            | <u>Title</u>  |
|-----------------------------|---|
| *                           | Director, Chairman and Chief Executive Officer  |
| <b>K. Rupert Murdoch</b>    | (Principal Executive Officer)   |
| *                           | Director and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) |
| <b>David F. DeVoe</b>       |   |
| *                           | Director  |
| <b>Peter Chernin</b>        |   |
| *                           | Director  |
| <b>Christos M. Cotsakos</b> |   |
| *                           | Director  |
| <b>Lachlan K. Murdoch</b>   |   |
| *                           | Director  |
| <b>Peter Powers</b>         |   |
| *                           | Director  |
| <b>Arthur M. Siskind</b>    |   |



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\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission.

By:                    /s/ Arthur M. Siskind  
                          Arthur M. Siskind  
                          Attorney-in-fact

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Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 24<sup>th</sup> day of November, 2004.

BRITISH SKY BROADCASTING GROUP PLC

By: \*  
**James Murdoch**  
**Chief Executive Officer**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on November 24, 2004.

| <u>Signature</u>                       | <u>Title</u>   |
|--|--|
| *<br>_____<br><b>James Murdoch</b>     | Executive Director and Chief Executive Officer<br>(Principal Executive Officer)                |
| *<br>_____<br><b>Jeremy Darroch</b>    | Executive Director and Chief Financial Officer<br>(Principal Financial and Accounting Officer) |
| *<br>_____<br><b>K. Rupert Murdoch</b> | Non-Executive Director and Chairman  |
| *<br>_____<br><b>Lord Rothschild</b>   | Non-Executive Director and Deputy Chairman   |
| *<br>_____<br><b>Chase Carey</b>       | Non-Executive Director   |
| *<br>_____<br><b>David F. DeVoe</b>    | Non-Executive Director   |
| *<br>_____<br><b>David Evans</b>       | Non-Executive Director   |

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Non-Executive Director

**Nicholas Ferguson**

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|                                 |  |
|---------------------------------|--|
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Andy Higginson</b>           |  |
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Allan Leighton</b>           |  |
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Jacques Nasser</b>           |  |
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Gail Rebuck</b>              |  |
| *                               | Non-Executive Director and Authorized<br>Representative in the United States |
| <hr/>                           |  |
| <b>Arthur M. Siskind</b>        |  |
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Lord St. John of Fawsley</b> |  |
| *                               | Non-Executive Director   |
| <hr/>                           |  |
| <b>Lord Wilson of Dinton</b>    |  |

\* The undersigned by signing his name hereto, does hereby sign and execute this Registration Statement on behalf of the above named officers and directors of the Company pursuant to the Power of Attorney executed by such officers and directors previously filed with the Securities and Exchange Commission or filed herewith.

By: */s/ Arthur M. Siskind*  
 Arthur M. Siskind  
 Attorney-in-fact

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| <b>Number</b> | <b>Description</b>  | <b>Exhibit No.<br/>in Document<br/>Incorporated<br/>by Reference</b> |
|---------------|---|--|
| 4.1           | Indenture, dated as of March 21, 2003, by and among News America Incorporated, The News Corporation Limited, the other Guarantors named therein and The Bank of New York, as Trustee  | **   |
| 4.2           | First Supplemental Indenture, dated as of June 27, 2003, by and among News America Incorporated, The News Corporation Limited, the other Guarantors named therein and The Bank of New York, as Trustee  | **   |
| 4.3           | Second Supplemental Indenture, dated as of November 12, 2004 by and among News America Incorporated, News Corporation, News Holdings Limited (formerly known as The News Corporation Limited), the other Guarantors named therein and The Bank of New York, as Trustee                    | *  |
| 4.4           | Registration Rights Agreement, dated as of March 21, 2003, by and among The News Corporation Limited, News America Incorporated, News Corporation Finance Trust II, Salomon Smith Barney Inc. and J.P. Morgan Securities Inc.   | **   |
| 4.5           | Amended and Restated Declaration of Trust of News Corporation Finance Trust II, dated March 21, 2003, among News America Incorporated, as Sponsor, The Bank of New York (Delaware), as Delaware Trustee, The Bank of New York as Property Trustee, and the Regular Trustees named therein | **   |
| 4.6           | Preferred Securities Guarantee Agreement, dated March 21, 2003, among The News Corporation Limited, as Guarantor, and The Bank of New York, as Preferred Guarantee Trustee for the benefit of the Holders of the Preferred Securities of News Corporation Finance Trust II                | **   |
| 4.7           | Specimen Certificate for Senior Exchangeable BUCS   | **   |
| 4.8           | Specimen Certificate for 0.75% Senior Exchangeable Debentures   | **   |
| 4.9           | Restated Certificate of Incorporation of News Corporation, dated November 22, 2004 (Incorporated by reference to Exhibit 3.1 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 24, 2004)           | **   |
| 4.10          | Amended and Restated By-laws of News Corporation, dated October 7, 2004 (Incorporated by reference to Exhibit 3.4 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 12, 2004)                      | **   |
| 4.11          | Form of Class A common shares of News Corporation (Incorporated by reference to Exhibit 4.1 to the Current Report of News Corporation on Form 8-K (File No. 000-51022) filed with the Securities and Exchange Commission on November 24, 2004)  | **   |

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|------|--|-----|
| 4.12 | Memorandum and Articles of Association of British Sky Broadcasting Group plc (Incorporated by reference to Exhibit A to the Report on Form 6-K of British Sky Broadcasting Group plc filed with the Securities and Exchange Commission on August 18, 2003)                                     | **  |
| 4.13 | Specimen share certificate of British Sky Broadcasting Group plc (Incorporated by reference to Exhibit 2 to the Annual Report on Form 20-F of British Sky Broadcasting Group plc for the fiscal year ended June 30, 2001 filed with the Securities and Exchange Commission on October 1, 2001) | **  |
| 5.1  | Opinion of Hogan & Hartson L.L.P. with respect to News Corporation   | *** |
| 5.2  | Opinion of Allens Arthur Robinson with respect to TNCL (Incorporated by reference to Exhibit 5.1 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)  | **  |
| 5.3  | Opinion of Hogan & Hartson L.L.P. with respect to News America Incorporated (Incorporated by reference to Exhibit 5.2 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)   | **  |
| 5.4  | Opinion of Hogan & Hartson L.L.P. with respect to the Guarantors (Incorporated by reference to Exhibit 5.3 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)  | **  |
| 5.5  | Opinion of Herbert Smith with respect to British Sky Broadcasting Group plc (Incorporated by reference to Exhibit 5.4 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)   | **  |
| 5.6  | Opinion of Morris, Nichols, Arsht & Tunnell with respect to News Corporation Finance Trust II (Incorporated by reference to Exhibit 5.5 to Registration Statement No. 333-106837 on Form F-3/S-3 filed with the Securities and Exchange Commission on August 19, 2003)                         | **  |
| 5.7  | Opinion of Allens Arthur Robinson with respect to News Australia Holdings Pty Ltd  | *** |
| 8.1  | Opinion of Hogan & Hartson L.L.P. with respect to certain U.S. federal income tax consequences   | **  |
| 12.1 | Ratio of Earnings to Fixed Charges of News Corporation   | *   |
| 12.2 | Ratio of Earnings to Fixed Charges of Fox Entertainment Group, Inc.  | *   |
| 23.1 | Consent of Ernst & Young LLP regarding News Corporation  | *   |
| 23.2 | Consent of Ernst & Young LLP regarding Fox Entertainment Group, Inc.   | *   |
| 23.3 | Consent of Deloitte & Touche LLP regarding British Sky Broadcasting Group plc  | *   |
| 23.4 | Consent of Ernst & Young LLP regarding Gemstar-TV Guide International, Inc.  | *   |
| 23.6 | Consent of Allens Arthur Robinson (included in Exhibit 5.2)  | **  |

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|      |  |    |
|------|--|----|
| 23.7 | Consent of Hogan & Hartson L.L.P. (included in Exhibits 5.1, 5.3, 5.4 and 8.1)   | ** |
| 23.8 | Consent of Herbert Smith (included in Exhibit 5.6)   | ** |
| 23.9 | Consent of Morris, Nichols, Arsht & Tunnell (included in Exhibit 5.7)  | ** |
| 24.1 | Powers of Attorney   | ** |
| 24.2 | Power of Attorney for British Sky Broadcasting Group plc   | *  |
| 25.1 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Indenture Trustee under the Indenture   | ** |
| 25.2 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Property Trustee under the Amended and Restated Declaration of Trust of News Corporation Finance Trust II | ** |
| 25.3 | Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York, as Trustee under the Preferred Securities Guarantee for News Corporation Finance Trust II                    | ** |

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\* Filed herewith.

\*\* Previously filed.

\*\*\* To be filed by amendment.